BRITISH COLUMBIA
CANADA

Small Business Profile 2016

BRITISH COLUMBIA | Ministry of Small Business and Red Tape Reduction | BCStats

SMALL BUSINESS PROFILE 2016

A profile of small business in British Columbia

Information on programs and services for small businesses can be obtained by contacting:

Small Business BC
601 West Cordova St.
Vancouver, BC V6B 1G1
Telephone: 604.775.5525
Toll Free: 1.800.667.2272
Internet: **www.smallbusinessbc.ca**

Statistics related to small business are available at:

BC Stats
563 Superior St.
Box 9410 Stn Prov Govt
Victoria, BC V8W 9V1
Telephone: 1.800.663.7867
Internet: **www.bcstats.gov.bc.ca**

Information on provincial government programs and services can be found at:

Ministry of Small Business and Red Tape Reduction
Small Business Branch
Box 9822 Stn Prov Govt
Victoria, BC V8W 9N3
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Fax: 250.925.0113
Internet: **www.gov.bc.ca/sbrt/**

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www.bcstats.gov.bc.ca
www.resourcecentre.gov.bc.ca/pdf/SmallBusEngWeb.pdf

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PREFACE

Small Business Profile 2016: A Profile of Small Business in British Columbia is an update of previous versions published annually since 1997. The 2016 report reflects data from 2014 for information on small business exporters and 2015 for information on all other indicators. These are the most recent years for which data are available. This report answers some common questions about the role of small business in British Columbia by examining trends in growth and, where possible, offering cross-provincial comparisons. Key measures examined in this report include the number of businesses, employment and earnings, contribution to the economy, industry distribution, regional details and the role of small business exporters. New to the 2016 edition is the addition of a comparison of average earnings by province. Also unique to the 2016 edition is the inclusion of some leading indicators of the attractiveness of B.C.'s business landscape as compared to other regions of Canada.

Statistical information in this report was prepared by BC Stats using data provided by Statistics Canada from various databases, such as the *Business Register*, the *Survey of Employment, Payrolls and Hours*, the *Labour Force Survey* and the *Trade by Enterprise Characteristics* data program. Supplemental data sets are from various sources, including Industry Canada and the Canadian Federation of Independent Business.

Small Business Profile 2016 is produced by the Province of British Columbia. The report was prepared by BC Stats, a part of the Ministry of Technology, Innovation and Citizens' Services, in partnership with the Ministry of Small Business and Red Tape Reduction.

HIGHLIGHT TABLE 1

BREAKDOWN OF BUSINESSES IN BRITISH COLUMBIA, 2015

	Number of Businesses	Per cent of total
TOTAL SMALL BUSINESSES	**388,500**	**98%**
Self-employed without paid help[1]	204,000	51%
Businesses with less than 50 employees	184,500	47%
TOTAL LARGE BUSINESSES	**7,700**	**2%**
TOTAL ALL BUSINESSES	**396,300**	**100%**

[1] Incorporated self-employed are not included in this figure to avoid double-counting, since they are already included in the count of businesses with fewer than 50 employees.

Source: BC Stats using data supplied by Statistics Canada

HIGHLIGHT TABLE 2

NUMBER OF SELF-EMPLOYED BUSINESS OWNERS IN BRITISH COLUMBIA, 2015

	With paid help	Without paid help	Total	Per cent
Incorporated	97,200	80,100	177,300	43%
Unincorporated	31,300	204,000	235,300	57%
TOTAL SELF-EMPLOYMENT	**128,500**	**284,100**	**412,600**	**100%**

Source: Statistics Canada / Prepared by BC Stats

HIGHLIGHTS

- **Small Business** – There were approximately 388,500 small businesses operating in British Columbia in 2015, representing about 98 per cent of all businesses in the province.
- **Micro Business** – 79 per cent of small businesses are micro businesses with fewer than 5 employees. Between 2014 and 2015, the growth rate for micro businesses in British Columbia was 1.4 per cent, or approximately 4,300 businesses.
- **Small Businesses Per Capita** – British Columbia ranked first in the country in terms of small businesses per capita in 2015, with 83.0 small businesses per 1,000 people. The national average was 70.3.
- The Northeast **region** recorded the fastest net growth in the number of small businesses between 2014 and 2015, at 16.0 per cent.
- **Employment** – In 2015, an estimated 1,030,200 people worked in small businesses in British Columbia. These jobs accounted for 55 per cent of private-sector employment in the province, well above the national average of 49 per cent and enough to rank British Columbia second in the country.
- **Employment Change** – There was a 1.9 per cent boost in employment in British Columbia's small business sector between 2014 and 2015. Both the numbers of self-employed (+4.4 per cent) and employees of small businesses in British Columbia (+0.3 per cent) increased.
- **Industry** – The accommodation and food services industry was the largest provider of new small business jobs in British Columbia between 2010 and 2015, with a net addition of 11,360 jobs. The fastest rate of employment growth was seen in the information and cultural services sector, which saw a 26.6 per cent increase in employment (a net addition of 1,930 jobs) over the five-year period.
- **Self-Employed** – Approximately 38 per cent of the self-employed in British Columbia are women, above the national average.
- On average, the **self-employed** tend to be older, male, and more likely to work longer hours than paid employees.
- **Gross Domestic Product** – British Columbia small businesses generated approximately 35 per cent of the province's gross domestic product in 2015, well above the Canadian average of 32 per cent.
- **Earnings** – In 2015, small business provided almost 32 per cent of all wages paid to workers in British Columbia, the highest share of all provinces. The national average was 27 per cent.
- **Exports** – Small business exporters in British Columbia shipped almost $12.9 billion worth of goods to international destinations in 2014, accounting for 36 per cent of the total value of goods exported from the province.

FIGURE 1.1

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MICRO BUSINESSES (0 TO 4 EMPLOYEES)	313,500	79%	4,300	1.4%
Self-employed without paid help†	204,000	51%	4,100	2.1%
Businesses with 1 to 4 employees	109,500	28%	200	0.1%
BUSINESSES WITH 5 TO 9 EMPLOYEES	37,100	9%	800	2.2%
BUSINESSES WITH 10 TO 19 EMPLOYEES	23,200	6%	500	2.0%
BUSINESSES WITH 20 TO 49 EMPLOYEES	14,800	4%	400	2.4%
TOTAL SMALL BUSINESSES**	**388,500**	**98%**	**5,900**	**1.5%**
TOTAL LARGE BUSINESSES	**7,700**	**2%**	**100**	**1.3%**
TOTAL ALL BUSINESSES	**396,300**	**100%**	**6,000**	**1.5%**

†Incorporated self-employed are not included in this figure to avoid double-counting, since they are already included in the count of businesses with fewer than 50 employees.

**Figures do not add due to rounding.

Note: Due to a data break in 2014, growth rates can only be calculated from 2014-2015.

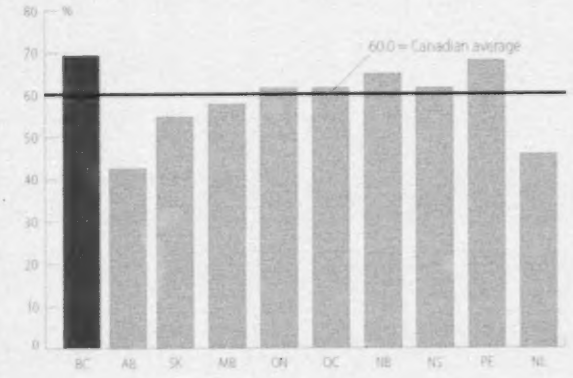
Source: BC Stats using data supplied by Statistics Canada.

SPOTLIGHT ON B.C.'S BUSINESS LANDSCAPE: SOME KEY INDICATORS

A small business-friendly environment helps stimulate business formation and growth, as well as potentially giving a province a competitive edge over other jurisdictions. British Columbia compares favourably with other provinces in its strength in several key business stimulus indicators, some of which are highlighted here.

The province's economic landscape has been profoundly affected by the growth in entrepreneurship. This trend is expected to continue. In fact, compared with other parts of the country, British Columbia's small business owners are consistently among the most optimistic about their prospects for the future. According to the most recent data from a survey of members of the Canadian Federation of Independent Business (CFIB), confidence among owners of small businesses in British Columbia is the highest in the country, and well above that of the average Canadian small business owner. In 2015, B.C.'s Business Barometer Index, which measures small business confidence, ranged from a low of 62.9 in September to a high of 73.5 in May. These rates were several percentage points higher than the Canadian average in every month, and this trend has continued into the first half of 2016. At the time of reporting in June 2016, business confidence was 69.3, significantly higher than the national average (60.0).

CFIB BUSINESS BAROMETER INDEX BY PROVINCE, JUNE 2016



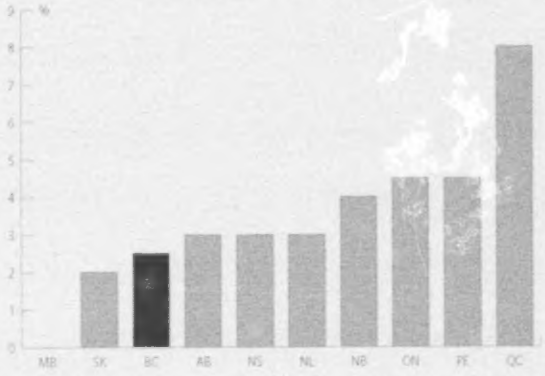
Source: Canadian Federation of Independent Business / Prepared by BC Stats

The State of Business Health indicator in June was also relatively positive in the province. Nearly half of business owners in B.C. (49 per cent) say their businesses are in good shape, while only 10 per cent reported their businesses as in poor shape. Full-time hiring plans are also positive, with 29 per cent of owners surveyed planning to increase staffing and just eight per cent expecting cutbacks.

Small businesses are often highly mobile because much of the input to their production is derived from human capital. As a result, small business owners are often free to seek an ideal location to establish their operations. Lower levels of taxation are thought to attract investment and a skilled workforce – both essential to small business.

In 2016, the small business tax rate in B.C. (2.5 per cent) is among the lowest in the country, resting just below that of Alberta (3.0 per cent) and just above that of Saskatchewan (2.0 per cent). Meanwhile, Quebec's tax rate is by far the highest in the country (8.0 per cent in 2016), while Manitoba has eliminated the small business tax altogether.

SMALL BUSINESSES TAX RATES, BY PROVINCE, 2016



Source: B.C. Ministry of Finance / Prepared by BC Stats

British Columbia's largest city is consistently ranked as having the highest overall quality of life[1] in North America and among the highest in the world. Granted, B.C. is made up of many diverse regions, cities and towns, but since Vancouver is the most populous metropolitan area in the province and home to roughly half of its residents, its high ranking reflects on the province as a whole. Also, most of the quality of life variables are at equally high levels in other parts of the province. The positive ranking for Vancouver holds great potential to provide a substantial competitive advantage in attracting workers and all types of business, including small business.

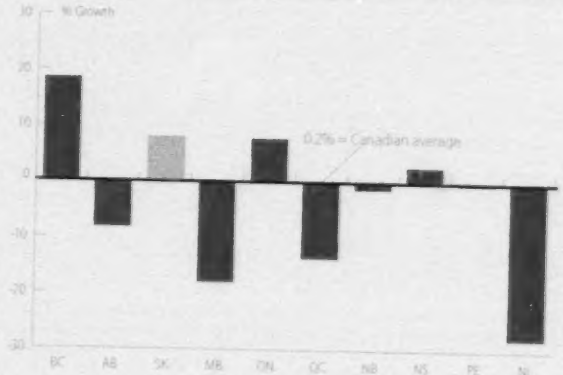
QUALITY OF LIFE RANKINGS, 2016

	Global Rank	Americas Rank
Vancouver	5	1
Toronto	15	2
Ottawa	17	3
Montreal	23	4
San Francisco	28	5
Calgary	32	6
Boston	34	7
Honolulu	35	8
Chicago	43	9
New York City	44	10
Seattle	46	11

Source: Mercer Quality of Living Survey / Prepared by BC Stats

Another measure of the overall health of an economy and business environment is strong building activity. In 2015, the province led the country in growth in planned building activity. The value of building permits issued in B.C. amounted to $13 billion in 2015, representing an 18.5 per cent jump over 2014. The industrial (+59.6 per cent), residential (+28.5 per cent), and commercial (+4.0 per cent) sectors fuelled the construction boom, as year-over-year institutional and governmental building permits eased (-30.0 per cent). Nationally, planned spending was relatively unchanged (+0.2 per cent to $85 billion).

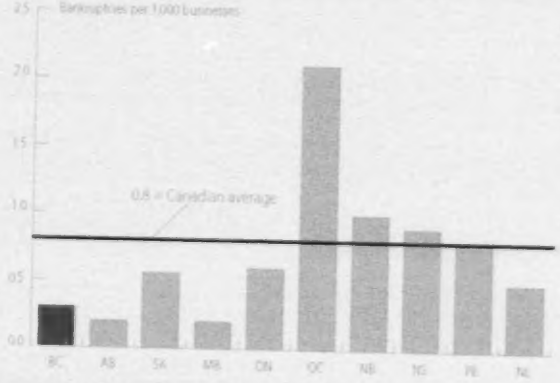
VALUE ($) OF BUILDING PERMITS ISSUED, BY PROVINCE, GROWTH 2014-2015



Source: Statistics Canada / Prepared by BC Stats

Unlike building permits, high numbers of bankruptcies would indicate a less favourable business environment, but British Columbia boasts one of the lowest business bankruptcy rates in the country. In 2015, B.C.'s rate was 0.3 bankruptcies per 100,000 businesses, down from 0.5 in 2014. Rates in other provinces ranged from a low of 0.2 in Alberta and Manitoba to a high of 2.1 in Quebec. The Canadian business bankruptcy rate was 0.8 in 2015.

BUSINESS BANKRUPTCY RATES BY PROVINCE, 2015

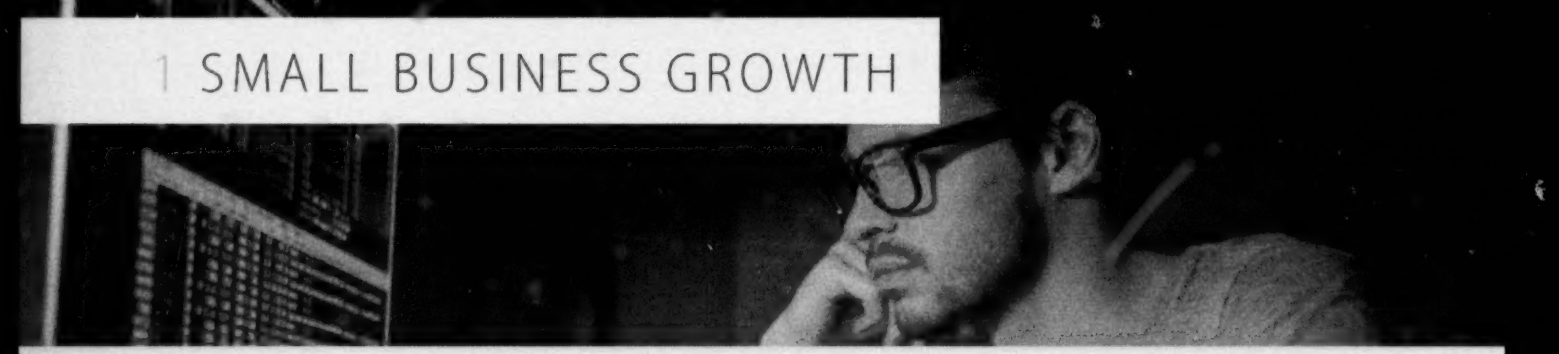


Source: Industry Canada / Prepared by BC Stats

1 Mercer Human Resource Consulting developed "quality of life" scales to assist companies in determining hardship pay. Such allowances are often provided when a company sends employees to work in foreign countries. The Mercer quality of life survey provides rankings based on 39 indicators, grouped into 10 categories:

- Political and social environment
- Economic environment
- Socio-cultural environment
- Medical and health considerations
- Schools and education
- Public services and transportation
- Recreation
- Consumer goods
- Housing
- Natural environment

1 SMALL BUSINESS GROWTH

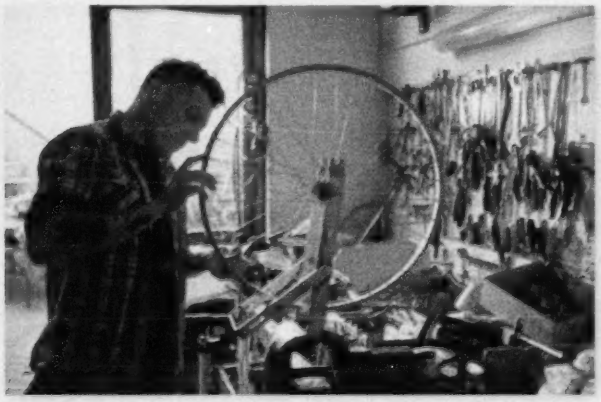


Indicators are useful to gauge the overall health and confidence of the British Columbia small business sector, in terms of growth and success. However, it is important to examine objective measures as they pertain specifically to small business, such as business counts, employment, GDP, and revenues to see if they paint a picture of a successful small business sector in British Columbia.

In British Columbia, the small business sector continues to be a key instrument of job creation and economic growth. It remains the primary provider of private sector jobs in the province, reflecting an important and ongoing trend toward economic diversification within the provincial economy. The small business sector is also a vital source of innovation.

What is a small business?

A business can be classified as small, medium or large through a number of different methods, including production levels and revenues. However, the most commonly used definition focuses on the number of individuals employed. In British Columbia, a small business is defined as one with either fewer than 50 employees, or a business operated by a person who is self-employed without paid help. The small business definition also includes partnerships where there is more than one owner/operator, but no paid employees.



How many businesses operate in British Columbia and is that number growing?

In 2015, British Columbia recorded a total of 396,300 businesses, of which 98 per cent (388,500) were classified as small businesses. Over 51 per cent of all businesses in the province were operated by self-employed people with no paid employees, on par with the national average (51 per cent). Among the provinces, Saskatchewan (54 per cent) and Ontario (55 per cent) had the highest percentage of businesses run by self-employed individuals with no paid employees.

The number of small businesses operating in British Columbia grew by 1.5 per cent in 2015. While the number of small businesses with employees saw an increase of 1.0 per cent, most of the growth in small business as a whole was attributable to a 2.1 per cent boost in businesses operated by unincorporated self-employed individuals without paid help. Various factors could account for this increase. In times of economic uncertainty, it is possible that some larger businesses reduced employment, and may now be reclassified as small businesses. It is also conceivable that a number of small businesses shed employees, with some owners perhaps even opting to run their businesses alone. This may at least partially account for the increase in businesses run by self-employed persons with no paid help. A boost in self-employment could also be an indication that some in the employee workforce elected to start their own businesses. Overall, small business growth in the province outpaced that of large business (+1.3 per cent).

What is the size distribution of small businesses?

The majority of small businesses in British Columbia are micro businesses with fewer than five employees. In 2015, 313,500 businesses fit this description, comprising 79 per cent of all small businesses; 51 per cent were self-employed persons without paid help and the remaining 28 per cent employed one to four individuals.

Micro businesses are often created and run by entrepreneurs with unique talents that might not fit in larger businesses. They have the ability to be nimble and innovative, reacting quickly to changing market trends. This may allow them to withstand tough economic times with more ease than their larger counterparts.

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**Figures do not add due to rounding.

Note: Due to a data break in 2014, growth rates can only be calculated from 2014-2015.

Source: BC Stats using data supplied by Statistics Canada.

In which sectors are small businesses concentrated?

Small businesses in British Columbia are engaged in a number of diverse activities, which range from family-owned and operated restaurants to self-employed software engineers and small farms. Nearly three quarters of all businesses in the province are in service sector industries, with small businesses and large businesses almost equally as likely to be providing a service. In 2015, 80 per cent of all small businesses in the province were in the service sector, compared to 78 per cent for large businesses.

In the small business service sector, the largest concentration is in professional and business services, which in 2015 accounted for 21 per cent of all British Columbia small businesses. These include occupations such as veterinarians and accountants. Next, at over 10 per cent was wholesale and retail trade.

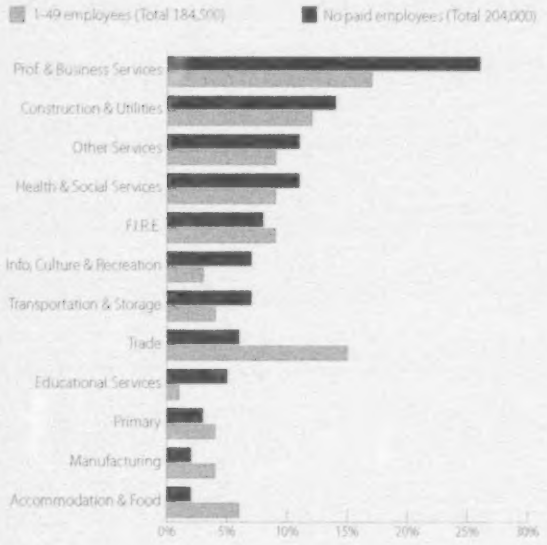
In the goods sector, construction and utilities[2] is the most significant industry, accounting for 13 per cent of all small businesses in the province. Construction is more amenable to smaller operations than most other goods sector industries, such as those involved in manufacturing or resource extraction.

Figure 1.2A shows the industry breakdown for small businesses with employees compared to that for businesses operated by a self-employed person with no staff. Figure 1.2B provides the same dissection for small business overall.

2. Note that utilities comprise only a small portion of this industry aggregation.

FIGURE 1.2A

SMALL BUSINESSES, WITH AND WITHOUT EMPLOYEES, BY INDUSTRY, 2015

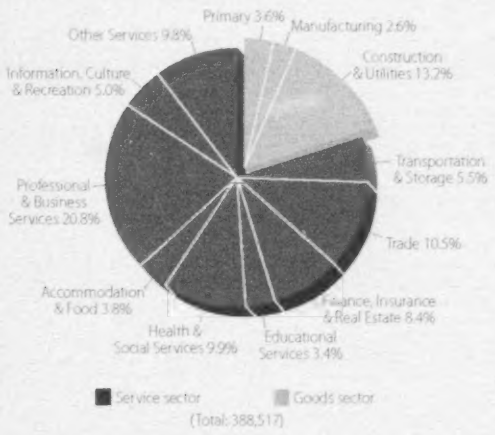


Note: "Primary" is comprised of the agriculture, forestry, fishing, mining, oil and gas industries.

Source: BC Stats using data supplied by Statistics Canada

FIGURE 1.2B

TOTAL SMALL BUSINESSES WITH 0-49 EMPLOYEES, 2015



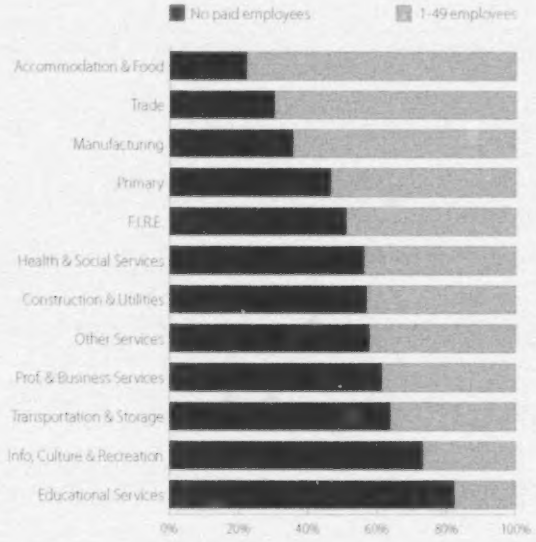
Note: "Primary" is comprised of the agriculture, forestry, fishing, mining, oil and gas industries.

Source: BC Stats using data supplied by Statistics Canada

Some industry groups, such as professional and business services, and information, culture and recreation (such as data hosting, radio and television broadcasting and publishing industries), are more concentrated among businesses with no employees. Others, such as wholesale and retail trade, and accommodation and food, are more likely to have employees.

FIGURE 1.3

SMALL BUSINESSES BY INDUSTRY, PROPORTIONS WITH AND WITHOUT EMPLOYEES, 2015



Note: "Primary" is comprised of the agriculture, forestry, fishing, mining, oil and gas industries.

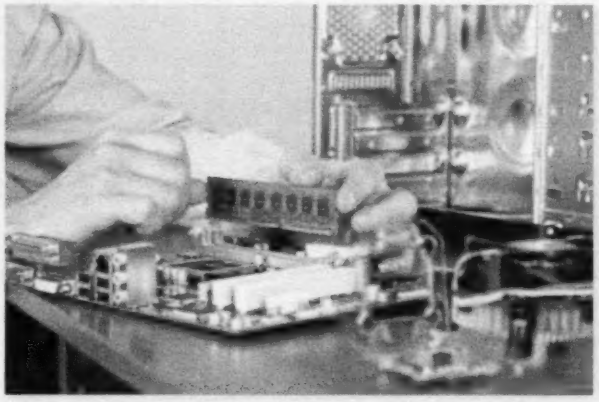
Source: BC Stats using data supplied by Statistics Canada

Non-Standard Industries

This report contains information on non-standard industries that are not defined under the North American Industry Classification System (NAICS) used by Statistics Canada. The tourism, high technology and secondary manufacturing sectors are called "non-standard industries" in this report and are in fact composites of smaller parts of traditionally-defined industries under NAICS. Tourism, for example, includes data from parts of the transportation industry, accommodation and food services, and information, culture and recreation services, among others. High technology includes both manufacturing and services components.

Historically, British Columbia's economy was dominated by resource extraction-based industries, particularly forestry and mining. Although those industries are still important, they have been partially supplanted by sectors such as tourism and high technology, which continue to grow and have become critical sectors in the provincial economy. The secondary manufacturing sector has not grown as significantly, but it is still important, because adding value to goods is a potential source of future economic growth.

High technology and tourism, in particular, are well-suited as small business opportunities, as they are not capital-intensive like resource extraction activities. For example, in the high technology sector, small businesses comprise almost 96 per cent of employers. Innovation is the basis for growth in this sector and the work can be accomplished with few employees working in small facilities, offices or even homes.

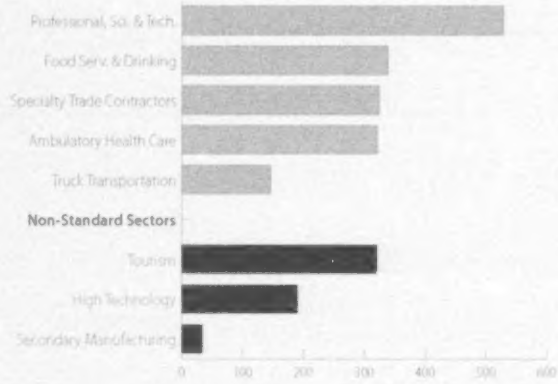


Which industries show the greatest increase in the number of small businesses?

In British Columbia, the professional, scientific and technical services sector is the leader in small business growth. Between 2014 and 2015, there was a net addition of 528 small businesses in this sector. Food services and drinking places ranked second, with a net addition of 338, followed by specialty trade contractors, with 324 net new businesses added in 2015.

FIGURE 1.4

NUMBER OF NET NEW SMALL BUSINESSES – FASTEST GROWING SECTORS IN BRITISH COLUMBIA, 2014-2015†



† Excludes self-employed without paid help

Note: Due to a data break in 2014, growth can only be calculated from 2014-2015

Source: BC Stats using data supplied by Statistics Canada

The tourism, high technology and secondary manufacturing sectors each saw an increase in small businesses between 2014 and 2015. Tourism led the way with a net addition of 321 new businesses, while high technology added 191 net new businesses. The province's secondary manufacturing sector experienced a more moderate net gain of 34 businesses over the same period.

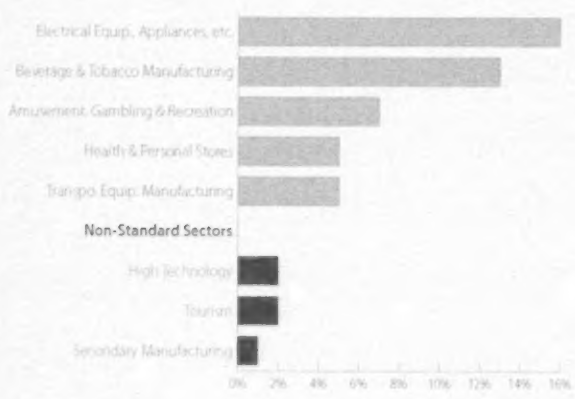
There were 9,905 high tech businesses with employees in British Columbia in 2015; of those, 96 per cent were small businesses. Most tech companies in B.C. are micro businesses – in 2015, more than two thirds (68 per cent) of high tech businesses with employees had fewer than five employees. It is also likely that the number of high tech businesses comprised of self-employed individuals without staff exceeds the total of that with employees.

Which industries show the fastest rates of growth in new businesses?

Among the standard industries,[3] between 2014 and 2015, the fastest rate of growth in number of small businesses was for those involved in electrical equipment, appliance and component manufacturing, at 16.2 per cent. With a 13.0 per cent growth rate over the same period, beverage and tobacco manufacturing also recorded a notable gain in net new small businesses, as did the amusement, gambling and recreation sector (up 7.2 per cent) and health and personal stores (up 5.2 per cent).

FIGURE 1.5

SECTOR GROWTH RATES FOR NUMBER OF SMALL BUSINESSES, 2014-2015†



† Excludes self-employed without paid help

Note: Due to a data break in 2014, growth can only be calculated from 2014-2015

Source: BC Stats using data supplied by Statistics Canada

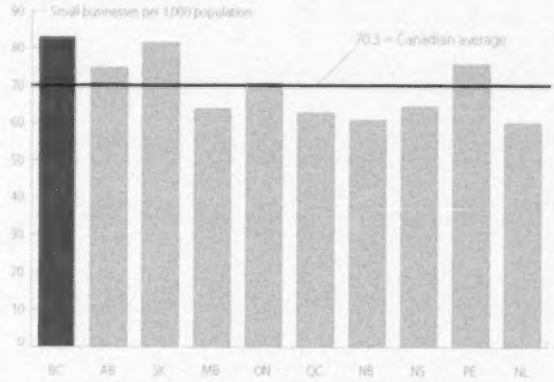
Among the non-standard sectors, the strongest growth between 2014 and 2015 was in high technology, which added new businesses at the rate of 2.1 per cent. The tourism sector experienced comparable growth (+2.0 per cent), while secondary manufacturing saw small business counts rise 0.6 per cent over the one-year period.

How does the prevalence of small business in British Columbia compare with other provinces?

In 2015, British Columbia continued to outrank the rest of the country in number of small businesses per 1,000 people, with a rate of 83.0. The only other provinces to exceed the Canadian average of 70.3 small businesses per 1,000 people were Saskatchewan (81.5), Prince Edward Island (75.7), Alberta (74.7) and Ontario (70.6).

FIGURE 1.6

SMALL BUSINESSES PER CAPITA BY PROVINCE, 2015



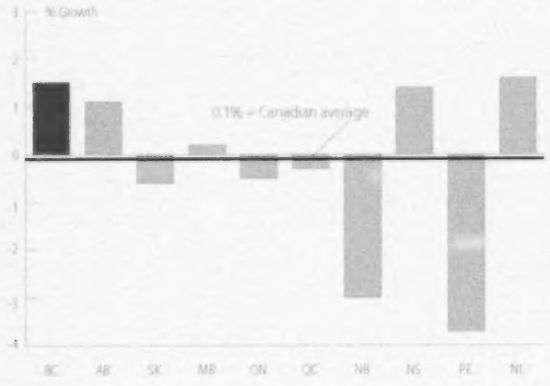
Source: BC Stats using data supplied by Statistics Canada

3 Data for industries with fewer than 100 small businesses are excluded from ranking in the sub-sector growth analysis in order to avoid inflated growth rates for industries with smaller numbers of businesses (e.g., an increase of one business in an industry with just one business to begin with would equal a 100 per cent rate of growth).

Between 2014 and 2015, the number of small businesses in British Columbia climbed 1.5 per cent, well above the national average rate of growth of 0.1 per cent. In fact, B.C.'s growth was among the highest in the country, second only to Newfoundland and Labrador (+1.6 per cent). Nova Scotia, Alberta, and Manitoba were the only other provinces to see an increase in small business numbers in 2015.

FIGURE 1.7

SMALL BUSINESS GROWTH, BY PROVINCE, 2014-2015



Note: Due to a data break in 2014, growth can only be calculated from 2014-2015.

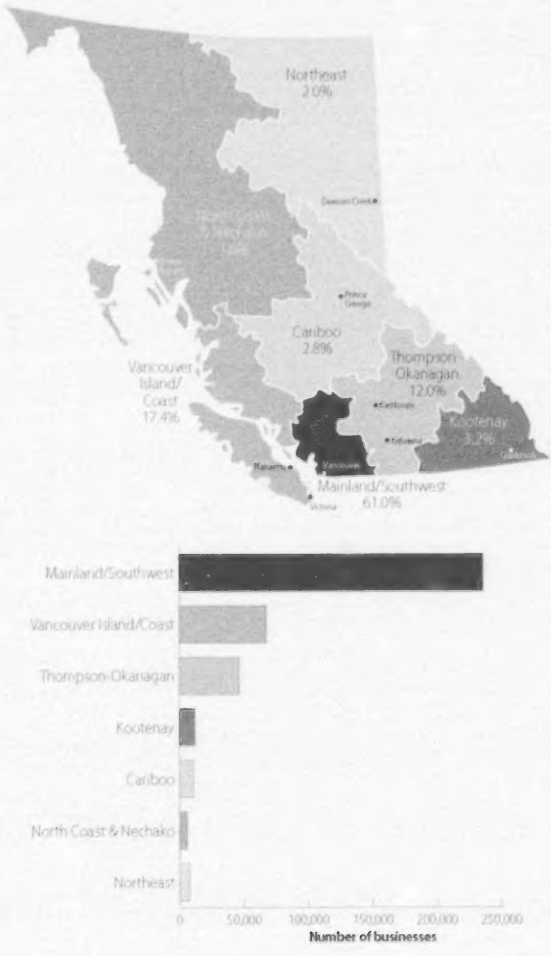
Source: BC Stats using data supplied by Statistics Canada.

Which regions have the greatest number of small businesses?

Not surprisingly, the regions of British Columbia with the most businesses are those with the largest populations. As a result, it is useful to compare the distribution of businesses to share of population to better gauge the relative importance of small business to each region. In 2015, the Mainland/Southwest region, which includes Greater Vancouver, was home to about 61 per cent of the province's small businesses, on par with its share of total provincial population. Vancouver Island/Coast ranked second in both share of population and share of small businesses with about 17 per cent of the population and a marginally higher share of businesses. Similarly, the Thompson-Okanagan region had less than 12 per cent of the province's population, but a slightly larger share of small businesses in the province. The remaining regions together accounted for about 10 per cent of small businesses in 2015, reasonably representative of their share of provincial population.

FIGURE 1.8

SMALL BUSINESS DISTRIBUTION BY REGION, BRITISH COLUMBIA, 2015



Source: BC Stats using data supplied by Statistics Canada.

In which regions are the greatest numbers of small businesses forming?

Five regions within the province recorded growth in the number of small businesses between 2014 and 2015. Northeast saw the strongest rise, with the count of small businesses in the region jumping 16.0 per cent, or around 1,100 net new businesses. Only Vancouver Island/Coast (-0.1 per cent) and Cariboo (-7.3 per cent) saw their small business counts fall.

FIGURE 1.9

NET CHANGE IN NUMBER OF SMALL BUSINESSES BY REGION, 2014-2015

	Total, 2015	Net change (#)	Growth rate
Vancouver Island/Coast	67,400	-100	-0.1%
Mainland/Southwest	236,000	3,900	1.7%
Thompson-Okanagan	46,500	400	0.8%
Kootenay	12,200	1,100	10.2%
Cariboo	10,900	-900	-7.3%
North Coast & Nechako	6,000	600	10.2%
Northeast	7,800	1,100	16.0%
Provincial Total	**388,500**	**5,900**	**1.5%**

† Figures do not add to the total because the provincial total includes some businesses for which the region is unknown.

Note: Due to a data break in 2014, growth can only be calculated from 2014-2015.

Source: BC Stats using data supplied by Statistics Canada.

Small business growth by industry varied by region, but construction; health and education; and professional and business services were among the big growth industries in many regions. For detailed regional data by industry, see Appendix 1.

British Columbia has one of the most diverse Agri-food industries in Canada, producing more than 200 agriculture commodities and 100 seafood species, enjoyed locally and around the world. Exports of agricultural products, food and fish in 2015 totalled $3.8 billion. In 2015, there were 3,665 small businesses with employees in the agriculture sector.

In what regions are the non-standard sectors growing the fastest?

Between 2014 and 2015, the high technology sector expanded its number of small businesses with employees in three regions, most notably in Thompson-Okanagan (+5.5 per cent).

Thompson-Okanagan also saw the largest rise in small tourism-related establishments, with a 5.2 per cent increase. Vancouver Island/Coast (+3.5 per cent) and Mainland/Southwest (+2.1 per cent) also experienced growth, but small tourism-related businesses declined in all other regions of the province.

The secondary manufacturing sector soared in Kootenay, with growth of 13.1 per cent (translating to an increase of 19 businesses). Mainland-Southwest (+1.2 per cent, an addition of 46 net new businesses) was the only other region to record an increase.

Small Business Spotlight: Kekuli Café

Sharon Bond-Hogg knew she would franchise her business from day one, and now the requests are rolling in from all around British Columbia, Alberta, Saskatchewan and as far away as Ontario.

She and her husband, Darren, started serving bannock from a concession stand at Westside Daze in Westbank, B.C., back in 2005. Sharon knew they were on to something when customers started lining up for the Indigenous treat that is a light, fluffy, fried dough made from local ingredients with delicious toppings like Saskatoon (berry) cream, cinnamon sugar and maple glaze. "I didn't start out thinking Kekuli Café would be an Indigenous restaurant," Sharon said, "but the need and demand was there."

More permanent concession stands at a soccer field in Lake Country and a car wash in Westbank soon followed. During that time, the couple also found 'day' jobs – Sharon at Starbucks and Darren at Tim Horton's – with the focus of learning all they could about coffee, assembly lines, customer service, corporate standards and product consistency.

"We learned a new level of working," Sharon explains, "it was intense training for both of us... there were times when we'd look at each other and ask 'why are we doing this?' but we always had a goal in sight that we were working toward."

After four years of running concession stands and learning from industry heavyweights, Sharon and Darren opened their first Kekuli Café in Westbank in September 2009, followed by the Merritt location in August 2014. Both locations serve breakfast, lunch and dinner, and also offer catering for special events and a venue for gatherings, workshops and meetings.

Kekuli Café is a step above fast food; food is served fast, but made with fresh, local ingredients. Although the cafés are in very different settings – the fast-paced shopping centre of Westbank and the quiet, walkable town of Merritt – both locations do an excellent job of welcoming the community with an Indigenous flair in décor, food quality and friendliness.

Sharon and Darren's long list of accomplishments include a 2010 Aboriginal Business of the Year Award, appearances on the Food Network's "You Gotta Eat Here" and many other accolades from the Food and Beverage and Aboriginal Business and Tourism industries. The future for Kekuli Café is bright and expanding, hopefully soon to a location near you!

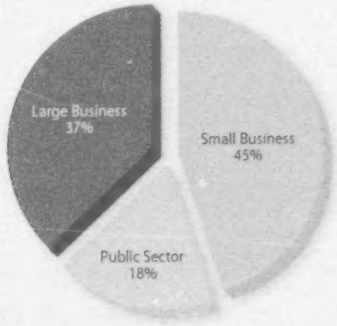
2 SMALL BUSINESS EMPLOYMENT

How many jobs does small business provide in British Columbia?

In 2015, approximately 1,030,200 jobs in British Columbia were derived from small business, accounting for 45 per cent of total employment in the province. This share was slightly higher than it was in 2014 (44 per cent).

FIGURE 2.1

SHARE OF TOTAL EMPLOYMENT, BRITISH COLUMBIA, 2015



(Total: 2,306,300)

Source: BC Stats using data supplied by Statistics Canada.

The private sector (both small and large businesses) employed approximately 1,881,800 people. The 1,030,200 people working for a small business translates into 55 per cent of private sector jobs, a ratio that has remained relatively stable over the past decade. In 2015, self-employed workers represented 22 per cent of total private sector employment, while 33 per cent were employed by a small business.

FIGURE 2.2

PRIVATE-SECTOR EMPLOYMENT IN BRITISH COLUMBIA BY SIZE OF BUSINESS, 2015

	Employment	Per cent of total
TOTAL SMALL BUSINESS EMPLOYMENT	**1,030,200**	**55%**
Self-employed	413,500	22%
Employed by small business	616,700	33%
LARGE BUSINESS EMPLOYMENT	**851,600**	**45%**
TOTAL PRIVATE-SECTOR EMPLOYMENT	**1,881,800**	**100%**

Source: BC Stats using data supplied by Statistics Canada.

In 2015, small business employment in British Columbia saw its most notable boost since 2007, just prior to the onset of the global economic downturn.[4] The number of people working in small businesses climbed 1.9 per cent in 2015, with both the self-employed (+4.4 per cent) and employees of small businesses (+0.3 per cent) contributing to the increase. Employment in large businesses in the province also edged up (+0.4 per cent), such that British Columbia's total private sector employment climbed 1.2 per cent.

From 2010 to 2015, there was a 0.2 per cent increase in small business employment. The slight rise was due entirely to a 2.8 per cent upturn in the number of workers employed by small businesses, as those who were self-employed slipped 3.4 per cent. Employment in large businesses grew 7.8 per cent over the five-year period.

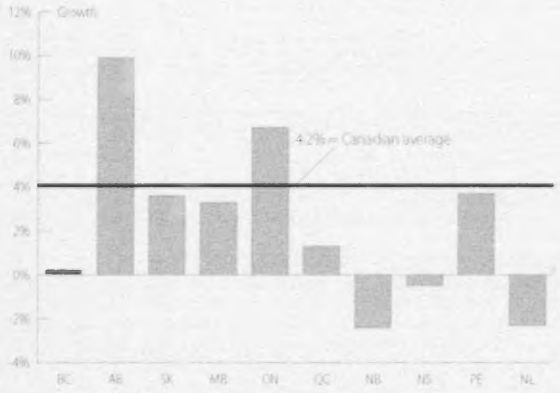
4 Unlike business counts, there has not been a data break with regard to employment data, such that it is possible to analyze trends over longer periods than is the case for establishment counts.

How does British Columbia's small business employment compare with other provinces?

British Columbia was one of six provinces to experience a rise in small business employment between 2010 and 2015. Alberta led the nation, with growth of 9.9 per cent over the five-year period, well above the national average of 4.2 per cent.

FIGURE 2.3

SMALL BUSINESS EMPLOYMENT GROWTH BY PROVINCE, 2010-2015



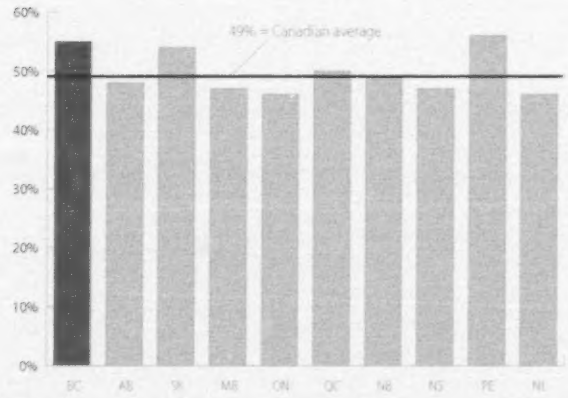
Source: BC Stats using data supplied by Statistics Canada

In 2015, British Columbia ranked second (55 per cent) only to Prince Edward Island (56 per cent) among the provinces in percentage of total private sector jobs derived from small business.

Nationally, small business supplied nearly half (49 per cent) of private sector employment. Newfoundland and Labrador and Ontario (each 46 per cent) had the least reliance on small business for private sector employment.

FIGURE 2.4

SMALL BUSINESS AS A PER CENT OF PRIVATE-SECTOR EMPLOYMENT BY PROVINCE, 2015



Source: BC Stats using data supplied by Statistics Canada

Significant variation exists among the provinces in small business employment, likely due to regional differences in economic structure. For example, Saskatchewan and Prince Edward Island have substantial agricultural and fishing sectors, respectively, and these sectors are commonly characterized by smaller operations with fewer employees. Ontario, by contrast, is more likely to have a higher percentage of employment in large business, being one of the country's manufacturing hubs (particularly in the automotive industry). British Columbia has a larger service sector than other provinces, which can account for a stronger presence of small businesses.

Which industries are experiencing the most job growth?

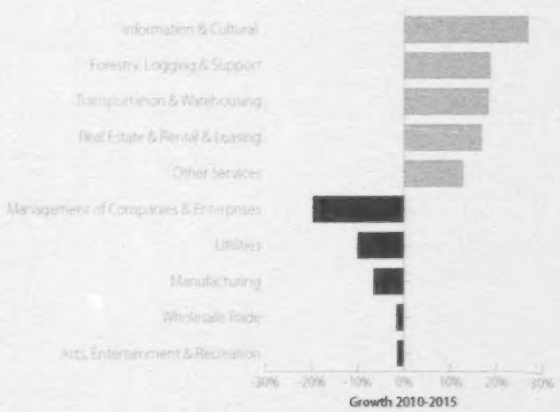
With a net addition of over 11,360 jobs between 2010 and 2015, the accommodation and food services industry recorded the highest growth in employment for small businesses in British Columbia.[5] The construction sector also added a substantial number of new jobs, with small business employment climbing by more than 8,770 over the five-year period.

The fastest rate of growth in small business jobs was in information and cultural services, which saw a 26.6 per cent jump in employment, or 1,930 net new jobs. Forestry, logging and support had the next highest rate of job growth, at 18.5 per cent, followed closely by transportation and warehousing, at 18.1 per cent.

At the other end of the scale, job losses between 2010 and 2015 were most heavily concentrated in manufacturing, which saw small business employment fall by nearly 1,740 jobs (-6.5 per cent). The fastest rate of decline in employment was in management of companies and enterprises, at 19.7 per cent (1,360 jobs), followed by a 10.1 per cent drop in utilities (70 jobs).

FIGURE 2.5

TOP AND BOTTOM FIVE INDUSTRIES IN TERMS OF PER CENT CHANGE IN SMALL BUSINESS EMPLOYMENT IN BRITISH COLUMBIA, 2010-2015



Source: BC Stats using data supplied by Statistics Canada.

5 Note that data on employment by size of business are not available for the non-standard sectors.

SELF-EMPLOYMENT

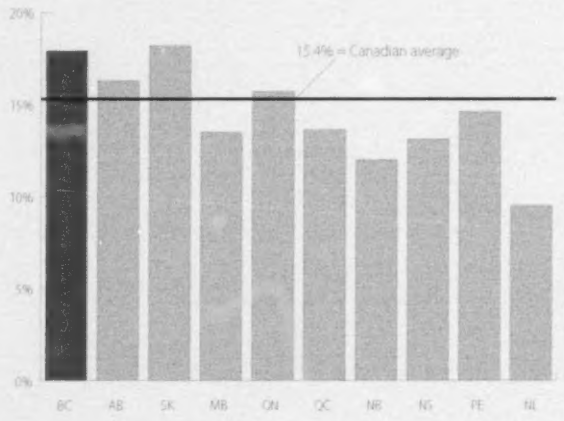
What proportion of total employment consists of the self-employed?

Individuals classified as **self-employed** are those who spend most of their working hours operating their own businesses. In 2015, self-employment accounted for 18 per cent of total employment, up slightly from 2014 (17 per cent). Over the past five years, the proportion of British Columbia's workforce comprised of self-employed workers has remained sizeable, hovering between 17 and 19 per cent.

British Columbia ranks second among the provinces in terms of the proportion of the workforce comprised of self-employed workers, compared to 18.2 per cent for Saskatchewan, the province with the highest ratio of self-employed. The Canadian average was 15.4 per cent, two-and-a-half percentage points lower than the B.C. figure. Newfoundland and Labrador had by far the lowest proportion of self-employed in its workforce, at 9.5 per cent. Self-employed British Columbians are engaged in a diverse number of businesses, such as software engineering and small farms.

FIGURE 2.6

SELF-EMPLOYMENT AS A PER CENT OF TOTAL EMPLOYMENT BY PROVINCE, 2015



Source: Statistics Canada / Prepared by BC Stats

Small Business Spotlight: Smart Dolphins IT Solutions

Starting a business involves taking risks; growing a business involves taking even more risks. Dave Monahan, President of Smart Dolphins IT Solutions, has taken many calculated risks over the past 16 years.

Smart Dolphins IT Solutions was founded in May 2000 as a work experience requirement for a computer science program at the University of Victoria. The son of an entrepreneur, Dave had the confidence it would take to step out on his own after being unable to find a suitable business in town in which to complete his work experience. "I asked if I was allowed to start my own business, and they said yes!"

Dave completed his studies and kept the business running. Over the next eight years, Smart Dolphins continued to grow, hiring about one new staff member each year. In 2008, however, Dave realized his company needed restructuring. He was tired of the chaotic, reactive nature of the IT industry in general and knew he had more to offer his clients. He reached out to an external consulting firm who had successfully implemented some of the changes he wanted to make, and began turning his "do everything from building websites to last-minute emergency fixes" IT company into a focused IT infrastructure (computer networks) business.

Today, Smart Dolphins has been successfully redesigned to align with Dave's goal of providing ongoing IT services that are assets to small businesses, as opposed to what many business owners view as "the cost of doing business."

> "Most small business owners don't have an IT background and therefore don't have the skill set or awareness to recognize potential issues as they arise. These issues – such as intermittent computer glitches – can build up over time. If allowed to continue, they can grow to the point where staff get frustrated and it starts to negatively affect productivity and customer service."

Smart Dolphins endeavours to fix problems before they start by being proactive with their ongoing service and maintenance of corporate computer networks. This allows business owners to focus on growing their business and providing excellent customer service, rather than spending resources on unnecessary technology problems.

Ongoing education and learning opportunities for Dave and his employees is another important aspect of his leadership philosophy. Throughout his career, he has been grateful for the mentorship and networking opportunities he's had, and has this advice for other business owners:

> "Learning is a lifelong process. Communication is very important – take advantage of industry-specific peer groups and mentors."

Smart Dolphins has won numerous awards over the years and has been steadily growing. Their offices are located in Victoria and Nanaimo, with expansion to the Okanagan on the horizon.

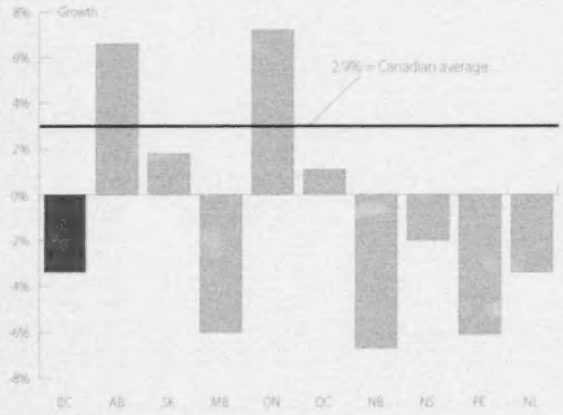
SmartDolphins
IT SOLUTIONS INC

How does self-employment growth in British Columbia compare with other provinces?

From 2010 to 2015, the number of self-employed in British Columbia fell 3.4 per cent, which is opposite the national trend in self-employment growth. Although self-employment in Canada climbed 2.9 per cent in the same five-year period, B.C. was among five other provinces to see numbers fall. Increases at the national level were bolstered primarily by Ontario (+7.2 per cent) and Alberta (+6.6 per cent).

FIGURE 2.7

SELF-EMPLOYMENT GROWTH BY PROVINCE, 2010-2015



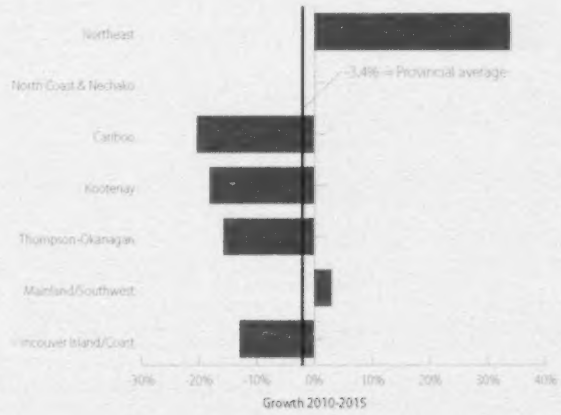
Source: Statistics Canada / Prepared by BC Stats

In what regions is self-employment growing the fastest?

Two of British Columbia's regions recorded substantial growth in self-employment between 2010 and 2015. The Northeast region led the province with a robust 33.8 per cent increase over the five-year period, while Mainland/ Southwest (+3.0 per cent) saw a more moderate boost in self-employment numbers. Conversely, the region with the largest decline was Cariboo, where self-employment dipped 20.3 per cent over the last five reporting years.

FIGURE 2.8

SELF-EMPLOYMENT GROWTH RATE FOR REGIONS IN BRITISH COLUMBIA, 2010-2015



Source: Statistics Canada / Prepared by BC Stats

3 PROFILE OF SELF-EMPLOYED IN BRITISH COLUMBIA

How many self-employed people are there in British Columbia?

There were 413,500 self-employed workers in British Columbia in 2015, including about 900 people working in family businesses without pay. Excluding those individuals, this leaves 412,600 self-employed business owners. Most (57 per cent) of self-employed businesses were unincorporated. Unincorporated individuals, working on their own with no employees, made up the largest class of self-employed small businesses. Nearly half (49 per cent) of all self-employed workers fit this description.

FIGURE 3.1

NUMBER OF SELF-EMPLOYED BUSINESS OWNERS IN BRITISH COLUMBIA, 2015

	With paid help	Without paid help	Total	Per cent
Incorporated	97,200	80,100	177,300	43%
Unincorporated	31,300	204,000	235,300	57%
TOTAL SELF-EMPLOYMENT	**128,500**	**284,100**	**412,600**	**100%**

Source: Statistics Canada / Prepared by BC Stats

In 2015, the overall number of self-employed workers in British Columbia surged 4.4 per cent, or by approximately 17,600 workers. This increase mirrored a similar decline in 2014 (-4.7 per cent) and marked the second largest gain in self-employment in British Columbia in the past decade. Despite the hefty increase in the most recent reporting year, the number of self-employed in the province remained lower in 2015 than it was five years prior (-3.4 per cent from 2010).

People choose self-employment for a variety of reasons, one of which is its flexibility. Students, semi-retired persons, or even people looking to earn extra income may prefer self-employment to other options. Other potential factors include technological changes that allow people the flexibility to work from home, and the increase in dual-earner families and desire to balance family and work. Others are compelled by an entrepreneurial drive that induces them to build their own businesses. Some people also turn to self-employment in the face of layoffs or lack of job security.[6] As the economy gets healthier, self-employed people may transition back to the workforce if they choose to move beyond contract work.

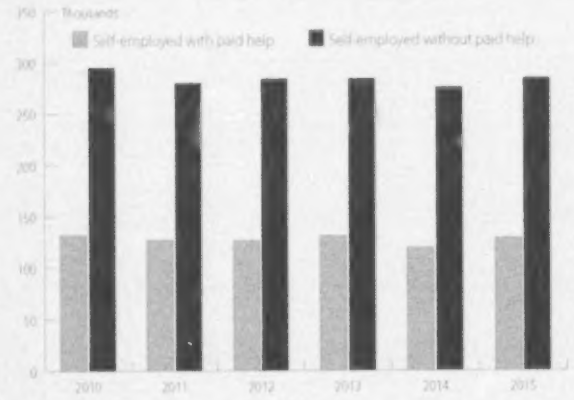
Among the self-employed in British Columbia, sole operators are more common than employers with staff. This is not surprising, particularly when it is coupled with growth in the number of small businesses. Many businesses begin with one individual running their own business, often from home. As the business grows, these individuals may take on employees.

Over the last decade, the number of self-employed persons with employees, regardless of incorporation status, has shrunk (-6.7 per cent) while the number of those without paid help increased (+5.7 per cent). However, in recent years, both classifications have exhibited similar rates of growth. Between 2010 and 2015, the number of employers with staff decreased 2.7 per cent, while the number of sole operators experienced a 3.5 per cent drop. In 2015, growth among the self-employed with staff (up 7.6 per cent) outpaced that of those without employees (up 3.2 per cent).

6. It should be noted that it is also possible that some people, particularly those with cutbacks in work hours, have taken up self-employed work to supplement their salaried income. However, such workers are not included in figures quoted in this report. The 'self-employed' as counted here are people for whom their self-employed work constitutes the job at which they work the most hours, except where specifically indicated otherwise.

FIGURE 3.2

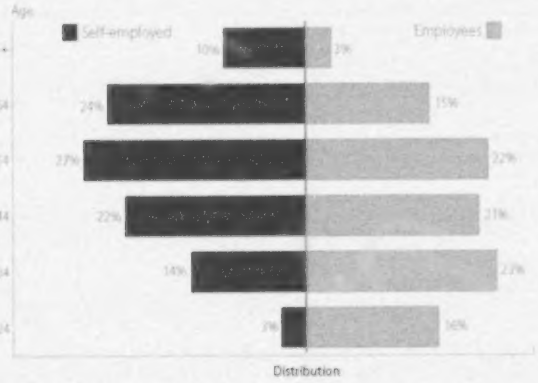
NUMBER OF SELF-EMPLOYED WITH PAID HELP COMPARED TO SELF-EMPLOYED WITHOUT PAID HELP, BRITISH COLUMBIA, 2010-2015



Source: Statistics Canada / Prepared by BC Stats

FIGURE 3.3

AGE DISTRIBUTION OF SELF-EMPLOYED WORKERS COMPARED TO EMPLOYEES, BRITISH COLUMBIA, 2015



Source: Statistics Canada / Prepared by BC Stats

What is the profile of a self-employed person in British Columbia?

There are a number of differences between self-employed people and those who are employees of businesses. On average, self-employed people tend to be older, are more often men and work longer hours compared to employees.

Nearly half (49 per cent) of British Columbia's self-employed people are between the ages of 35 and 54, whereas fewer (43 per cent) employees fall into this age range. Similarly, while 39 per cent of employees are under the age of 35, just 17 per cent of self-employed business owners fit this description. At the other end of the scale, more than a third (34 per cent) of entrepreneurs are aged 55 and over, compared to a mere 18 per cent of employees.

There are a number of reasons for the different age structure of self-employed persons and employees. Many younger people under the age of 25 may lack the skills and capital to start and operate a business. By comparison, for older workers, self-employment may be used as a transition from working at a full-time job into retirement. Indeed, ten per cent of self-employed business owners in British Columbia are 65 and over, but only three per cent of employees are in this age range. As well, as one reaches potential retirement age, a self-employed business owner might be more inclined to carry on working, as they are the main decision-makers of their businesses. Moreover, employees may be more inclined to retire at a socially pre-determined age thanks to the pension and/or retirement package available to them.

There has been a particularly sharp increase in the propensity to be self-employed among older British Columbians, which may be partly retirement-related. Many of those who have retired or semi-retired from their professions seek alternative sources of income that offer them the flexibility that typically comes with self-employment. Also, on average, the self-employed tend to retire at an older age than the general workforce. The median retirement age (the age at which half of retirees are older and half younger) for all Canadian retirees in 2015 was 64 years, a year older than in 2014 (63 years). By comparison, the median retirement age for the self-employed in 2015 was 67 years of age, also up from the previous year (66 years in 2014) and significantly higher than that of the average Canadian.

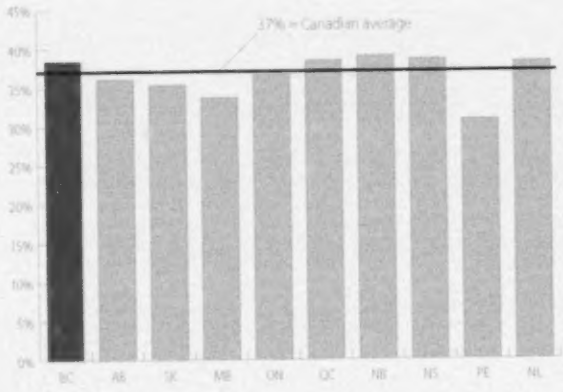
While the incidence of self-employment has been declining over the last five years for those younger than 55, the opposite is true for those aged 55 and over. Between 2010 and 2015, the number of self-employed aged 55 and over has increased 6.1 per cent, while self-employment among those aged 15 to 54 fell 7.7 per cent. The higher incidence of self-employment among older British Columbians was even more pronounced among women as there was a 12.2 per cent jump in self-employed women aged 55 and over in the five-year period.

Gender is another factor distinguishing the self-employed from employees. Self-employed individuals are more often male, while employees are equally likely to be male or female. In 2015, close to two-thirds of British Columbia's self-employed were men. However, entrepreneurial women continue to strengthen their presence in business, both in British Columbia and in the rest of the country. In 2015, 38 per cent of all business owners in British Columbia were women, above the national average of 37 per cent and the third highest rate among the provinces (tied with Quebec).

Self-employed women in British Columbia are most prevalent in the education, healthcare and social assistance fields. It is interesting to note that, despite an overall decline in the number of self-employed, there has been growth over the last five years in the number of self-employed women in the province. Between 2010 and 2015, the number of women who were self-employed rose 3.9 per cent. Over the same period, there were 7.4 per cent fewer self-employed men. For detailed data on self-employment by age and gender, see Appendix 2.

FIGURE 3.4

PROPORTION OF SELF-EMPLOYED WHO ARE WOMEN, BY PROVINCE, 2015

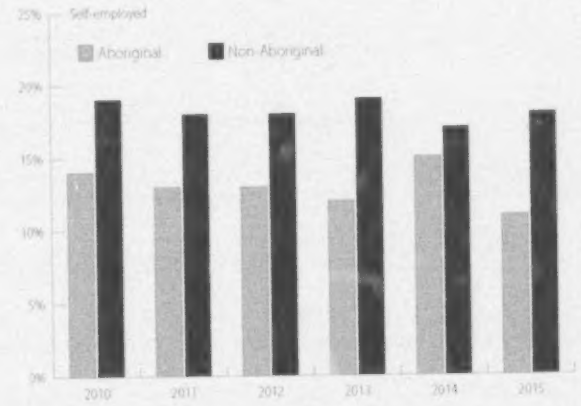


Source: Statistics Canada / Prepared by BC Stats

Examining self-employment trends for Aboriginal people in British Columbia provides some insight on the diversity of small business owners in the province. Data for 2015 indicate that Aboriginal people living off-reserve continue to be significantly less likely to be self-employed than non-Aboriginal people. In 2015, 11 per cent of Aboriginal people in British Columbia were self-employed, compared to 18 per cent of non-Aboriginal people who worked for themselves. One explanation for this difference may be the younger age distribution of Aboriginal people relative to the overall population, given the older age composition of self-employed individuals compared to those who are employees.

FIGURE 3.5

PER CENT OF WORKING, OFF-RESERVE ABORIGINAL AND NON-ABORIGINAL PEOPLE WHO ARE SELF-EMPLOYED, BRITISH COLUMBIA, 2010-2015



Source: Statistics Canada / Prepared by BC Stats

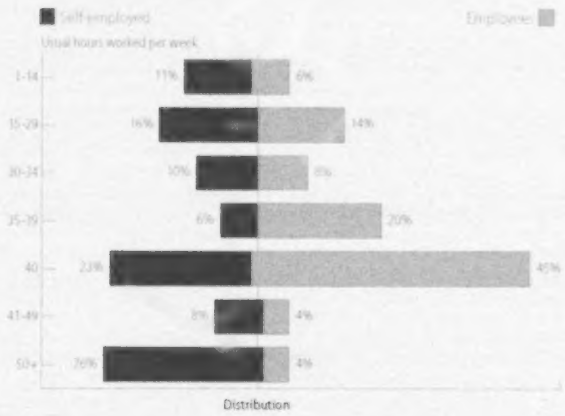
How do the self-employed differ from employees with respect to hours worked?

In British Columbia, differences in the number of hours worked per week also distinguishes the self-employed from employees. On average, the self-employed have much longer work days than employees. More than a quarter of self-employed individuals work 50 or more hours per week, compared to just four per cent of employees. By contrast, only 29 per cent of the self-employed work 35 to 40 hours per week, compared to 65 per cent of employees.

In 2015, the average work week for self-employed workers was 38 hours, compared to 35 hours for employees. The disparity in work hours between the self-employed and employees has remained relatively unchanged. The average work week for the self-employed has fluctuated only slightly (between about 37 and 40 hours) while the average for employees has remained even more stable, hovering around 35.

FIGURE 3.6

HOURS WORKED, SELF-EMPLOYED COMPARED TO EMPLOYEES, BRITISH COLUMBIA, 2015



Source: Statistics Canada / Prepared by BC Stats

In other parts of the country, the self-employed work even longer hours. Nationally, the average work week for self-employed workers was 39 hours, one hour longer than the B.C. average. Almost 30 per cent of Canadian self-employed workers averaged 50 hours or more per week in 2015, a notably higher ratio than for their British Columbian counterparts.

Small Business Spotlight: Cedar Journeys Caskets

While pre-planning his mother's funeral in 2009, Tom Simpson wanted to pay tribute to her First Nations heritage with a red cedar casket. But he couldn't find a supplier on Vancouver Island. A year later Tom, a member of the Snuneymuxw First Nation, suffered a stroke. While recuperating he started a business to fill a need – Cedar Journeys Caskets.

"I began this as something therapeutic, something to do and to contribute to my stroke recovery, both emotionally and physically: it grew from the concept that I wished had been available for my mom – a tribute to heritage and life lived in a casket painted with traditional Coast Salish artwork," Simpson explains.

Simpson wanted to work with red cedar because of its historical importance to the peoples of the coast. A former logger, he taught himself to create and assemble burial caskets, making 30 to 36 a year. So far he has created a job for himself and a part time apprentice.

Demand is increasing mainly through word of mouth. Simpson now has help with his online presence from Tom Sewid, who runs a website to promote aboriginal tourism and businesses. Sewid also volunteered to paint a casket in traditional orca design.

Simpson has both pre-painted and unpainted caskets at his Nanaimo workshop. Families often custom paint caskets for their loved ones with their own family crests or personal images. Others are ordered and shipped throughout the province.

"The lengths families will go to in order to pay tribute to their loved ones is amazing," Simpson says.

Simpson found the right partner in Sandy Poelvoorde, owner of Boyd's Funeral Services in Campbell River. Boyd's is the only funeral home in B.C. with one of Simpson's caskets on display.

"She's unusual on the Island, because she sells out of her shop without raising the price of my caskets. She's willing to work with my affordability model to make these available to First Nations."

The increased interest in the caskets has led to collaboration with local artists. Simpson took on an apprentice to help with painting. He says the business has attracted interest from potential partners, but it needs to be a good fit to shift from being a sole proprietor.

His advice for would be entrepreneurs is simple. "Be passionate and believe in yourself. Anything can happen."

4 CONTRIBUTION TO THE ECONOMY

How large is the contribution of small business to British Columbia's economy relative to other provinces?

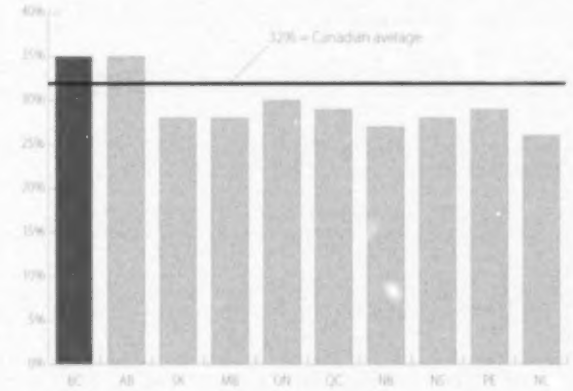
Small business contributes to the provincial economy not only by creating and maintaining jobs, but also through its production of goods and services and by meeting payrolls that support families and stimulate further economic activity.

A key measure of economic production of a sector is its gross domestic product (GDP). GDP represents the value that a sector adds to the raw inputs it uses, which is an important aspect of the sector's contribution to the economy.

In 2015, British Columbia's small business sector was responsible for roughly 35 per cent of provincial GDP.[7] This was tied with Alberta as the highest ratio in the country and was ahead of the national average of 32 per cent. No other provinces were above the Canadian average. At the other end of the scale, Newfoundland and Labrador had the smallest proportion of GDP generated by small business, at 26 per cent.

FIGURE 4.1

SMALL BUSINESS CONTRIBUTION TO GDP BY PROVINCE, 2015



Source: BC Stats

How does average pay compare between small and large businesses?

On average, small businesses have traditionally paid their employees lower wages compared to larger businesses. Small businesses compensate for much of this wage disparity by providing benefits not offered by some larger businesses, such as more flexible working hours.

7 – Note that these GDP shares are not exact figures and should not be used to calculate actual dollar amounts.

Part of this wage gap is likely related to productivity. Larger companies tend to be more productive than small businesses because they can take advantage of economies of scale and can better afford necessary capital improvements, such as machinery and equipment that can substitute for low-skilled labour. Consequently, larger companies tend to achieve more output per employee and can therefore afford to pay their employees higher wages. Another possible factor in the wage difference is that small businesses are far less likely to be unionized. In general, employees who belong to unions tend to earn higher wages than non-unionized employees.

Between 2010 and 2015, the difference between wages of employees of small and large businesses widened, as average earnings of large business employees increased at a faster pace than that of their small business counterparts. Employees of large businesses saw their average wages increase 12.3 per cent over that period, compared to only an 8.7 per cent boost for those working for smaller businesses.

FIGURE 4.2

CHANGES IN AVERAGE ANNUAL EARNINGS, BRITISH COLUMBIA, 2010-2015

	Small business	Large business
Earnings 2010 (payroll/employee)	$ 37,733	$ 45,360
Earnings 2015 (payroll/employee)	$ 41,025	$ 50,957
PER CENT CHANGE	**8.7%**	**12.3%**

Source: BC Stats using data supplied by Statistics Canada

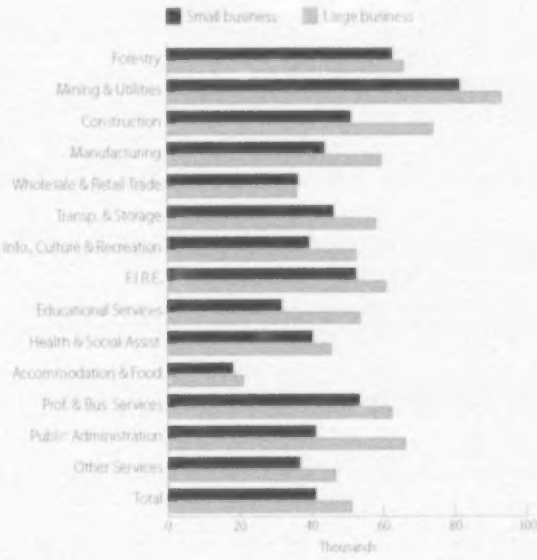
How does average pay compare across industries for small versus large businesses?

In 2015, wages in businesses with 50 or more employees were higher than those in small businesses over almost all major industry groupings. The only exception was wholesale and retail trade, where small business workers earned approximately $550 per year more than those working for larger businesses.

The largest wage gap was in public administration, where large businesses paid employees almost $25,000 more, on average, than those in small business. The next largest discrepancies were in construction (nearly $23,000 wage gap) and educational services (approximately $22,000 gap). The smallest gap (other than wholesale and retail trade) was for workers in the accommodation and food services and in forestry, logging and support, where small business employees earned approximately $3,000 less on an average annual basis than did employees of larger companies. For businesses of any size, employees in the accommodation and food sector earned by far the lowest wages, on average. In fact, the $21,000 earned by large business employees in that industry was less than the gap between large and small business employees in each of the construction, education and public administration industries. Data for the accommodation and food sector does not include gratuities. The highest wage earners were in mining, oil and gas extraction and utilities.[8]

FIGURE 4.3

AVERAGE ANNUAL EARNINGS BY INDUSTRY, BRITISH COLUMBIA, 2015



Note: Mining includes Oil and Gas; F.I.R.E. is Finance, Insurance and Real Estate

Source: BC Stats using data supplied by Statistics Canada

8 The wage data are from Statistics Canada's Survey of Employment, Payrolls and Hours which does not include data for the agriculture and fisheries industries. Data for the mining, oil and gas extraction, and utilities industries were suppressed and the aggregate of the two industries was calculated residually.

Small Business Spotlight: Firehall Brewery

The details should perhaps remain a little murky, but legend has it that the Firehall Brewery in Oliver, British Columbia, was the result of a collection of three timely events:

- Sid Ruhland graduated from business school, where he had also acquired some beer brewing skills;
- The old Oliver Firehall, bought by Sid's father and a couple of other investors, had an unused basement; and
- The authorities had caught wind of a home brewer verging on the border of bootlegging, so he decided his equipment should probably go to a more legal home

An additional deciding factor was that the Oliver Wine and Welcome Centre, a wine store that used to occupy some of the Old Firehall space, had ironically lost its VQA wine licence… for not selling enough wine! Sid agreed that yes, perhaps a wine store in the midst of 40 wineries or so isn't the greatest business model; but what about a brewery? "Everything fell into place and I just went for it!"

Of course the early days weren't easy, and they still aren't. "Every day requires creativity and innovation in order to get 40 hours' worth of work done in about 10. Small businesses only have so many hands."

Other challenges of note are navigating B.C.'s complex liquor regulations, though, due to the recent Liquor Policy Review and subsequent changes, paperwork issues are changing for the better and making it easier for craft breweries to hold on to more of their cash flow, resulting in opportunities to re-invest that money into equipment and maintenance or business growth.

Maintaining the quality of the product while attempting to expand the business, however, is a different challenge: "Natural beer doesn't stay fresh on the back of a truck or in a warehouse for months on end," explained Sid, "so in order to grow my business to the point where my beer is available outside of the Okanagan region, I'd either have to start processing our beer, or build a brewery in every city I wanted to sell it in."

His limited distribution area hasn't stopped him, however, from partnering with other breweries and even distilleries to expand his customer reach. Recently, Sid has partnered with a local distiller to make a whisky-barrel-aged beer, and he also uses the distiller's gin and whisky to sterilize ingredients for his cask beer, resulting in some innovative new flavours. "Many people don't mind paying an extra $0.75 for something that is locally produced… they want to support small business, they want that local feel and relationship."

Sid commits to supporting the local community and local small businesses through his business as much as possible – whether by participating in or sponsoring community events and charities, or hiring local tradespeople to complete renovations in his brewery (he is currently installing a tasting lounge in the basement).

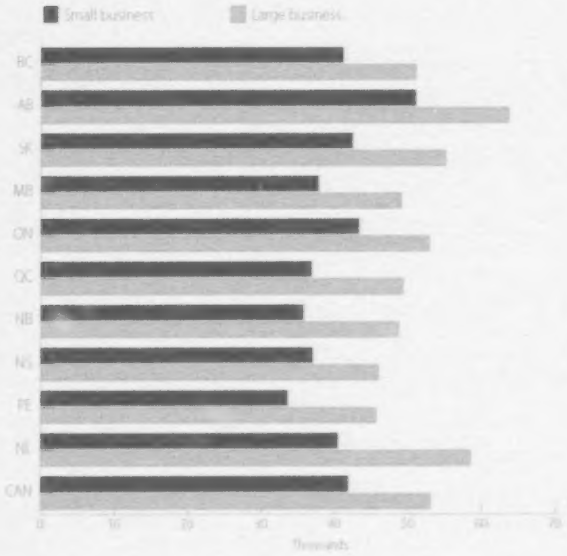
"It's not exactly what they taught me in business school, but I'd rather be honest than manipulate people. I feel that if I support the local community and always try to do the right thing, I have hope they will support me back and we will be successful."

How does British Columbia compare with other provinces in terms of average pay by small business?

In British Columbia, small business employees earned approximately $9,900 less per year than those working for larger businesses. In 2015, wages among workers in businesses with 50 or more employees were higher than those in small businesses in every province. This was among the smallest differences in the country, with only Ontario ($9,600) and Nova Scotia ($9,000) having smaller wage gaps between small and large businesses. The largest wage gap was in Newfoundland and Labrador, where large businesses paid employees about $18,000 more, on average, than those in small business.

FIGURE 4.4

AVERAGE ANNUAL EARNINGS BY PROVINCE, 2015



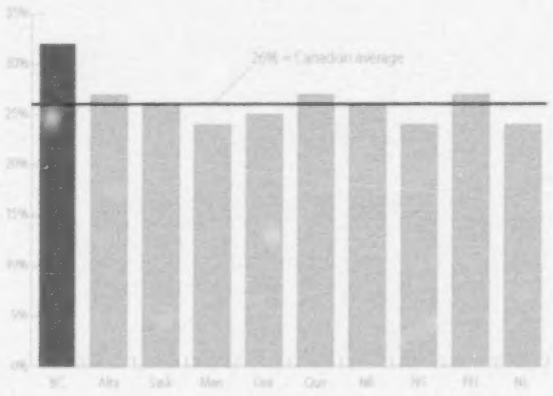
Source: BC Stats using data supplied by Statistics Canada.

How does British Columbia compare in terms of the portion of total payroll generated by small business?

Among the provinces, British Columbia has the highest reliance on small business payrolls. In 2015, small business accounted for nearly a third (just under 32 per cent) of wages paid to workers, well above the Canadian average of less than 27 per cent. Second-ranked Quebec was nearly five percentage points lower than British Columbia, with 27 per cent of its provincial payroll made up of wages paid to small business employees. The province with the smallest percentage of payroll derived from small business was Manitoba, at less than 24 per cent. The predominance of small businesses in British Columbia, relative to other provinces, is one reason for the higher portion of payroll generated by the small business sector.

FIGURE 4.5

SMALL BUSINESS SHARE OF TOTAL PAYROLL BY PROVINCE, 2015



Source: BC Stats using data supplied by Statistics Canada.

5 SMALL BUSINESS EXPORTERS

How many small businesses in British Columbia export?

In 2014,[9] there were a total of 5,995 business enterprises[10] in the province that exported goods to international destinations, of which 5,131 were businesses with fewer than 50 employees. These small business exporters accounted for almost 86 per cent of all B.C. exporters; however, very few small businesses exported goods – less than two per cent in 2014.

There are a number of possible explanations for why such a small percentage of small businesses export, including the high start-up costs associated with an exporting business and the need to achieve economies of scale to compete internationally.

Despite the fact that only a small fraction of B.C. small businesses were exporters, in 2014 they accounted for more than a third of the total value of B.C.'s commodity exports, shipping about $12.9 billion worth of goods out of the country. Business enterprises with more than 50 employees exported approximately $22.8 billion worth of goods.

FIGURE 5.1

NUMBER OF BRITISH COLUMBIA* EXPORTERS AND VALUE OF EXPORTS, 2014

	Number of businesses	Value of exports ($millions)
Small business exporters	5,131	$12,881
Large business exporters	864	$22,807
TOTAL ALL EXPORTERS	**5,995**	**$35,688**

*Include data for the Territories

Source: Statistics Canada / Prepared by BC Stats

What is the destination of goods shipped by British Columbia small business exporters?

Regardless of business size, the United States is the primary destination for British Columbia's exports. In 2014, both small business exporters and their larger counterparts shipped 47 per cent of their goods to the United States. Small business exporters were more likely to ship exclusively to the United States than were larger exporters. Approximately 53 per cent of B.C. small exporters traded their goods only to the United States and another 20 per cent exported to both the United States and at least one other country. Only 27 per cent of small business exporters shipped solely to non-United States destinations. By comparison, only 46 per cent of larger exporters traded exclusively with the United States, while 44 per cent exported to both the United States and at least one other destination. Only 10 per cent of larger exporters shipped just to non-United States destinations.

While more than half of B.C.'s small businesses exporters shipped solely to the United States, those businesses were responsible for only 11 per cent of the value of small business exports. The story was similar for larger exporters, where those that shipped solely to the United States were responsible for only 6 per cent of exports despite comprising just under half of all larger exporters.

9 There is a one-year lag in the availability of data for exports by businesses tabulated by employee size and as a result, 2014 is the most year for which data are available. In addition, in order to meet confidentiality requirements, Statistics Canada has grouped the Territories (Yukon, Northwest Territories and Nunavut) into a region with British Columbia, such that the data for British Columbia include exporters in the Territories. This should not significantly influence the small business number as most of the exports from the Territories are diamonds from the Northwest Territories, which are generally large business exports. Although the value of exports for large businesses is likely overstated, the numbers for small businesses in British Columbia are probably affected by less than one per cent.

10 In the exporter data, a business is defined at the enterprise level, rather than at the location level that is used to determine overall small business counts. Enterprises can include more than one business establishment, while each of those locations can export goods. For the purposes of the exporter data, it is the enterprise as a whole that represents the exporter.

FIGURE 5.2

SHARE OF BRITISH COLUMBIA* EXPORTERS AND VALUE OF EXPORTS BY DESTINATION OF EXPORTS, 2014

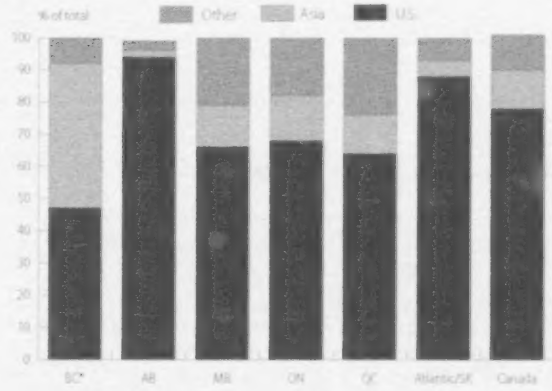
Small businesses	Business count	Export value
U.S. only	53%	11%
Non-U.S. only	27%	20%
Both U.S. and non-U.S.	20%	68%
Large businesses	**Business count**	**Export value**
U.S. only	46%	6%
Non-U.S. only	10%	4%
Both U.S. and non-U.S.	44%	90%

*Includes data for the Territories.

Source: Statistics Canada / Prepared by BC Stats

FIGURE 5.3

DESTINATION SHARE OF SMALL BUSINESS EXPORTS, BY PROVINCE, 2014



*Includes data for the Territories.

Saskatchewan is combined with Atlantic Canada due to suppression of destination detail.

Source: Statistics Canada / Prepared by BC Stats

It is generally more expensive to ship to non-U.S. destinations due to longer transport distances, as well as time zone and language differences, which add to the cost of marketing and distribution. Therefore, it makes sense that exporters need to ship larger volumes to these destinations in order to achieve economies of scale and defray some of their expenses. For nearby United States destinations, it can still be economical to export smaller volumes.

Within Canada, British Columbia small business exporters are somewhat unique in that the United States is the destination for less than half the value of the province's total small business exports (47 per cent). The only other province for which this is true is Newfoundland and Labrador where a mere 24 per cent of small business exports are destined for the United States. In contrast, Alberta ships 94 per cent of small business exports to American destinations. Small business exporters in B.C. ship almost as much to Asia (45 per cent) as to the United States.

How do British Columbia small business exporters compare to those in other parts of the country?

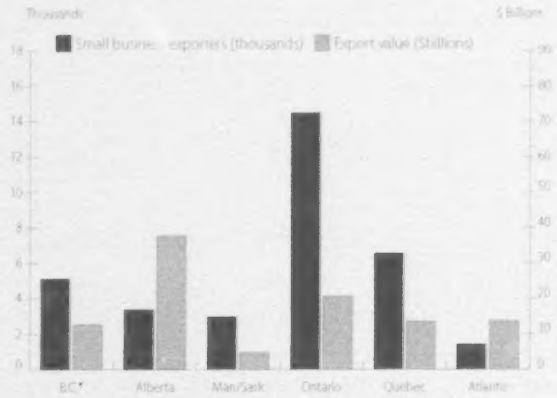
British Columbia's 5,131 small business exporters comprised about 15 per cent of the Canadian total of 33,903. Around 43 per cent of Canadian small business exporters were located in Ontario (14,480), almost as many as Quebec (6,537, or 19 per cent of Canada's total), B.C. and Alberta (3,399, or 10 per cent) combined.

Across the country, there was considerable variation in the export intensity (that is, the average value of exports per exporter) of small businesses. Canadian small business exporters averaged about $3.0 million in exports per firm in 2014; however, small business exporters in Alberta shipped $11.1 million worth of goods, on average. Although the province was home to only 10 per cent of exporters, Alberta was responsible for 36 per cent of Canadian small business exports, worth $37.6 billion.

The only other region with a higher export intensity than the Canadian average was Atlantic Canada, where small business exporters averaged about $9.8 million in exports.[1] By comparison, the export intensity for small business exporters in British Columbia was $2.5 million per firm and small business export intensities were lower for each of the remaining provinces.

FIGURE 5.4

EXPORT INTENSITY FOR SMALL BUSINESSES BY PROVINCE, 2014



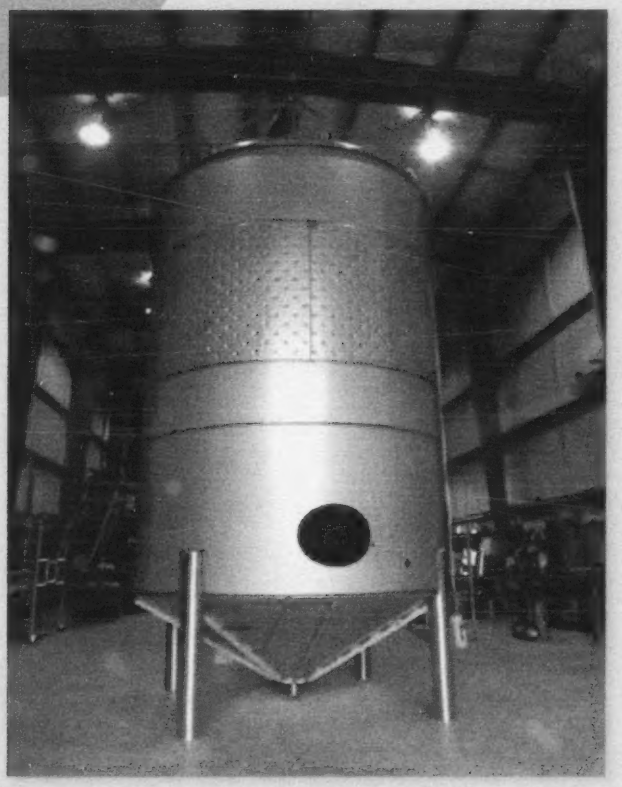
*Includes data for the Territories

Source: Statistics Canada / Prepared by BC Stats

1. Most of this was due to a very high export intensity for small businesses in New Brunswick. Although data for New Brunswick have been suppressed due to confidentiality concerns, the sum of New Brunswick and Nova Scotia can be calculated residually. The average value of exports by small businesses in those provinces was $12.3 million. Based on data from 2013, when data for Nova Scotia were not suppressed, it is apparent that New Brunswick is mainly responsible for this high figure.

It is likely that the high export intensity of small businesses in Alberta and New Brunswick is the result of oil and gas producers having small companies in the wholesale trade and business services industries to export their goods.

Small Business Spotlight: Interior Stainless



Welder Jim Ure started making beer tanks in his garage in 1999, after spending the previous eight years learning to custom-make tanks while working for someone else. So, when it was time to start his own business, he already had the manufacturing expertise. "I paid attention to the details," Jim recounts.

He started out small - one of his first orders was a custom-built series of small tanks that he exported to Tahiti, and his businesses grew – both in customer base and size of tanks – from there. It wasn't long before Jim realized he was limiting his skills and abilities by not having the proper sized workshop. "It is imperative to have the proper space and tools to do your job," he explained.

Luckily, Jim and his wife were able to purchase some land in Summerland, B.C., where they built a shop big enough to suit his business needs. Located near the junction of three main highways and about hour from the United States border, Interior Stainless can easily ship its products throughout B.C., Alberta, Washington State and beyond – which is exactly what happened once Jim moved into his new space.

To date, he has exported numerous tanks and hardware to breweries (and some wineries) in over a dozen States and multiple countries. Exporting can be a daunting task for many small business owners, but Jim's advice is to speak to a customs broker and hire a consultant or lawyer to handle the paperwork. While the experts took care of the details, Jim was able to expand his range of clients and now has repeat customers from all over the world. Of course, the growth of the craft brew industry here in British Columbia is also keeping him busy: "As their business expands, my business expands."

The difference between Interior Stainless and other beer tank manufacturers, is that Jim custom-makes virtually every tank – from size to shape to location of hardware – everything is made to spec and Jim is used to designing around unusual requests, from space limitations like under-height basements in heritage buildings, to display showcases for large craft breweries. "One guy wanted extra-long legs on his tanks, so I put extra-long legs on the tanks!"

Running a made-to-order business while trying to grow to keep up with those orders has been a challenge, at times. There was a period of time where Jim hired welders to learn the trade on the job, only to lose them to the oil fields in Alberta weeks later. Considering all of the specialized training and experience it takes to produce Interior Stainless' customized tanks, that kind of staff turnover is a major cost and concern. As a result, over the past few years, Jim has decided to focus on keeping the business as a small, family operation. His customers don't seem to mind waiting (sometimes up to two years) for their tanks, and Jim likes the freedom to connect one-on-one with clients and come up with designs custom-made for their business.

As for regrets, Jim wishes that perhaps he should have built a bigger shop earlier in his career. His advice to other manufacturers is to have the right work area and tools to do the job: "You never know what kind of innovation will be possible if you have the space and ability to experiment."

TECHNICAL NOTES

All statistics presented in this document are based on the best data currently available. A comprehensive listing of all businesses operating in British Columbia or elsewhere does not exist; therefore, business counts must be estimated to some extent. BC Stats has combined data from several sources to produce estimates of the total number of large and small businesses operating in British Columbia and other provinces, as well as the employment and payrolls generated by these businesses.

The results may differ from estimates produced in other studies using different data and different methodologies. Differences will potentially be more in terms of absolute numbers, rather than the direction of trends or the relative standing of British Columbia compared to other provinces. This edition of the *Small Business Profile* incorporates statistical revisions, such that year-over-year comparisons should not be made using previous editions.

Data Sources

Estimates of the number of businesses have been produced using data from Statistics Canada's *Business Register* and *Labour Force Survey*. Estimates of employment and payrolls have been produced using Statistics Canada's *Survey of Employment, Payrolls and Hours* and *Labour Force Survey*. All self-employment numbers have been obtained directly from the *Labour Force Survey*. Data describing small business exporters are derived from Statistics Canada's *Trade by Enterprise Characteristics* data set. Supplementary data is from the Canadian Federation of Independent Business's *Business Barometer*, the B.C. Ministry of Finance's *Balanced Budget 2016*, Industry Canada's (The Office of the Superintendent of Bankruptcy) insolvency statistics and Mercer's *Quality of Living Survey, 2016*.

Prepared by:

Jade Norton, BC Stats

Dan Schrier, BC Stats

Lillian Hallin, BC Stats

GLOSSARY

Small business
Although there are a number of different ways a small business can be defined, the most commonly used definition focuses on the number of employees. In British Columbia, a small business is defined as one with fewer than 50 employees, or a business operated by a person who is self-employed, without paid help. **(Back)**

Micro businesses
Micro businesses are businesses with fewer than 5 employees, with or without paid help. This includes owner/operators and partnerships. **(Back)**

Self-employed
Self-employed individuals are defined as individuals who spend most of their working hours operating their own businesses. The self-employed can be categorized as either *incorporated* or *unincorporated*. Each of these classifications can be further divided between those operating *with paid help* (i.e., with employees) or *without paid help* (i.e., working by themselves). This produces four major categories of self-employed workers. **(Back)**

Incorporated businesses
Incorporated businesses consist of those organized and maintained as legal corporations. A corporation is created (incorporated) by one or more shareholders who have ownership of the corporation, represented by their holding of common stock. **(Back)**

Unincorporated businesses
Unincorporated businesses consist of those not organized and maintained as legal corporations, and wherein the tie between members need not be a legally enforceable contract. **(Back)**

North American Industry Classification System (NAICS)
The North American Industry Classification System (NAICS) is an industry classification system used in Canada, the United States and Mexico, which is designed to provide common definitions of the industrial structure of the three countries. NAICS is Statistics Canada's comprehensive system encompassing all economic activities. It has a hierarchical structure: at the highest level, it divides the economy into 20 sectors; at lower levels, it further distinguishes the different economic activities in which businesses are engaged. **(Back)**

Non-Standard Sector Definitions
Tourism includes industries such as transportation, accommodation, food services and other tourism-related activities. Further information on the tourism sector is available at **BC Stats**. **(Back)**

High technology industries may employ a high proportion of scientists and researchers or invest a high proportion of revenues in research and development. Other industries that produce high technology products are also included. Further information on the high technology sector is available online at **BC Stats**. **(Back)**

Secondary manufacturing industries are those that produce goods from the products of other manufacturers. For example, a sawmill is a manufacturing operation, but not a secondary manufacturer, because its logs do not come from another manufacturer. On the other hand, a factory producing wooden doors with lumber obtained from sawmills is a secondary manufacturer. **(Back)**

Gross Domestic Product (GDP) refers to the total market value of all the goods and services produced within national or provincial borders during a specified period. The growth rates of GDP provide an indication of how well an industry or an economy is doing. The GDP of an industry (also referred to as value added) equals output by the industry minus the value of intermediate inputs that were purchased from other industries, domestic or foreign. Value added is a measure of how much an industry has contributed to the value of its output over and above the value of intermediate inputs. GDP by industry for the economy as a whole is the sum of values added by all industries resident in Canada. **(Back)**

Small Business Exporter
For the purposes of this report, a small business exporter is defined as an enterprise with fewer than 50 employees that exports goods out of the country, regardless of the value of exports. Small companies can be large exporters and, conversely, some large companies are small exporters. While shipments of goods to other provinces and services provided to out-of-province residents or businesses are also considered exports, such data tabulated by business size are unavailable. **(Back)**

APPENDICES

APPENDIX 1

COUNTS OF SMALL BUSINESSES WITH EMPLOYEES BY INDUSTRY BY REGION, 2014 TO 2015

			2014-2015 Change	
BRITISH COLUMBIA	**2014**	**2015**	**#**	**%**
Mining, Oil & Gas	1,314	1,282	-32	-2.4%
Forestry and Logging	2,323	2,320	-3	-0.1%
Other Primary	4,339	3,959	-380	-8.8%
Utilities	190	177	-13	-6.8%
Construction	21,394	21,865	471	2.2%
Manufacturing	6,474	6,518	44	0.7%
Transportation & Storage	7,759	7,790	31	0.4%
Trade	28,509	28,361	-148	-0.5%
Finance, Insurance & Real Estate	15,975	15,966	-9	-0.1%
Health & Education	18,862	19,186	324	1.7%
Public Administration	645	648	3	0.5%
Professional & Business Serv.	33,317	33,633	316	0.9%
Other Services	29,654	29,679	25	0.1%
Total	182,742	184,517	1,775	1.0%
High Tech	9,273	9,464	191	2.1%
Tourism	15,832	16,153	321	2.0%
Secondary Manufacturing	5,629	5,663	34	0.6%

			2014-2015 Change	
VANCOUVER ISLAND/COAST	**2014**	**2015**	**#**	**%**
Mining, Oil & Gas	67	69	2	3.0%
Forestry and Logging	626	646	20	3.2%
Other Primary	615	518	-97	-15.8%
Utilities	34	33	-1	-2.9%
Construction	3,452	3,503	51	1.5%
Manufacturing	906	892	-14	-1.5%
Transportation & Storage	882	881	-1	-0.1%
Trade	4,525	4,458	-67	-1.5%
Finance, Insurance & Real Estate	2,341	2,260	-81	-3.5%
Health & Education	3,548	3,530	-18	-0.5%
Public Administration	314	313	-1	-0.3%
Professional & Business Serv.	**4,928**	**5,016**	**88**	**1.8%**
Other Services	4,705	4,742	37	0.8%
Total	28,469	28,487	18	0.1%
High Tech	1,422	1,435	13	0.9%
Tourism	2,628	2,721	93	3.5%
Secondary Manufacturing	755	740	-15	-2.0%

MAINLAND/SOUTHWEST	2014	2015	2014-2015 Change #	2014-2015 Change %
Mining, Oil & Gas	535	484	-51	-9.5%
Forestry and Logging	269	265	-4	-1.5%
Other Primary	2,079	1,894	-185	-8.9%
Utilities	62	60	-2	-3.2%
Construction	11,977	12,235	258	2.2%
Manufacturing	4,180	4,240	60	1.4%
Transportation & Storage	4,427	4,471	44	1.0%
Trade	17,416	17,429	13	0.1%
Finance, Insurance & Real Estate	10,247	10,391	144	1.4%
Health & Education	11,226	11,543	317	2.8%
Public Administration	127	131	4	3.1%
Professional & Business Serv.	21,904	22,143	239	1.1%
Other Services	17,358	17,423	65	0.4%
Total	110,354	112,132	1,778	1.6%
High Tech	6,174	6,320	146	2.4%
Tourism	9,155	9,350	195	2.1%
Secondary Manufacturing	3,789	3,835	46	1.2%

THOMPSON-OKANAGAN	2014	2015	2014-2015 Change #	2014-2015 Change %
Mining, Oil & Gas	129	139	10	7.8%
Forestry and Logging	407	401	-6	-1.5%
Other Primary	1,011	969	-42	-4.2%
Utilities	37	34	-3	-8.1%
Construction	3,046	3,134	88	2.9%
Manufacturing	848	837	-11	-1.3%
Transportation & Storage	861	847	-14	-1.6%
Trade	3,486	3,437	-49	-1.4%
Finance, Insurance & Real Estate	1,816	1,813	-3	-0.2%
Health & Education	2,265	2,294	29	1.3%
Public Administration	84	83	-1	-1.2%
Professional & Business Serv.	3,275	3,329	54	1.6%
Other Services	3,654	3,734	80	2.2%
Total	21,901	22,167	266	1.2%
High Tech	749	790	41	5.5%
Tourism	1,957	2,058	101	5.2%
Secondary Manufacturing	657	645	-12	-1.8%

KOOTENAY	2014	2015	2014-2015 Change #	2014-2015 Change %
Mining, Oil & Gas	45	46	1	2.2%
Forestry and Logging	175	166	-9	-5.1%
Other Primary	182	152	-30	-16.5%
Utilities	20	18	-2	-10.0%
Construction	839	864	25	3.0%
Manufacturing	188	201	13	6.9%
Transportation & Storage	249	251	2	0.8%
Trade	1,021	990	-31	-3.0%
Finance, Insurance & Real Estate	438	427	-11	-2.5%
Health & Education	578	578	0	0.0%
Public Administration	45	46	1	2.2%
Professional & Business Serv.	807	791	-16	-2.0%
Other Services	1,209	1,176	-33	-2.7%
Total	6,061	5,985	-76	-1.3%
High Tech	220	215	-5	-2.3%
Tourism	716	700	-16	-2.2%
Secondary Manufacturing	145	164	19	13.1%

CARIBOO	2014	2015	2014-2015 Change #	2014-2015 Change %
Mining, Oil & Gas	42	39	-3	-7.1%
Forestry and Logging	421	416	-5	-1.2%
Other Primary	147	140	-7	-4.8%
Utilities	10	9	-1	-10.0%
Construction	760	782	22	2.9%
Manufacturing	187	181	-6	-3.2%
Transportation & Storage	439	443	4	0.9%
Trade	1,012	996	-16	-1.6%
Finance, Insurance & Real Estate	426	413	-13	-3.1%
Health & Education	606	617	11	1.8%
Public Administration	31	29	-2	-6.5%
Professional & Business Serv.	730	726	-4	-0.5%
Other Services	1,059	1,030	-29	-2.7%
Total	6,136	6,081	-55	-0.9%
High Tech	160	149	-11	-6.9%
Tourism	547	536	-11	-2.0%
Secondary Manufacturing	158	152	-6	-3.8%

NORTH COAST & NECHAKO	2014	2015	2014-2015 Change #	2014-2015 Change %
Mining, Oil & Gas	33	28	-5	-15.2%
Forestry and Logging	340	344	4	1.2%
Other Primary	136	122	-14	-10.3%
Utilities	10	10	0	0.0%
Construction	415	427	12	2.9%
Manufacturing	90	91	1	1.1%
Transportation & Storage	269	261	-8	-3.0%
Trade	571	563	-8	-1.4%
Finance, Insurance & Real Estate	221	208	-13	-5.9%
Health & Education	290	277	-13	-4.5%
Public Administration	38	40	2	5.3%
Professional & Business Serv.	445	445	0	0.0%
Other Services	682	665	-17	-2.5%
Total	3,659	3,616	-43	-1.2%
High Tech	113	109	-4	-3.5%
Tourism	445	435	-10	-2.2%
Secondary Manufacturing	62	60	-2	-3.2%

NORTHEAST	2014	2015	2014-2015 Change #	2014-2015 Change %
Mining, Oil & Gas	381	391	10	2.6%
Forestry and Logging	80	78	-2	-2.5%
Other Primary	140	138	-2	-1.4%
Utilities	12	9	-3	-25.0%
Construction	624	662	38	6.1%
Manufacturing	67	65	-2	-3.0%
Transportation & Storage	499	513	14	2.8%
Trade	455	455	0	0.0%
Finance, Insurance & Real Estate	239	246	7	2.9%
Health & Education	226	224	-2	-0.9%
Public Administration	4	4	0	0.0%
Professional & Business Serv.	573	576	3	0.5%
Other Services	691	706	15	2.2%
Total	4,258	4,342	84	2.0%
High Tech	197	179	-18	-9.1%
Tourism	259	256	-3	-1.2%
Secondary Manufacturing	56	56	0	0.0%

Figures do not add to the total because the provincial total includes some businesses for which the region is unknown.

Figures do not add to the regional total because some businesses could not be classified by industry.

There was a data break in 2014, such that growth can only be calculated from 2014 to 2015.

Source: BC Stats using data supplied by Statistics Canada.

APPENDIX 2

BRITISH COLUMBIA SELF-EMPLOYMENT BY AGE AND GENDER (THOUSANDS)

Sex	Age	2010	2011	2012	2013	2014	2015	Growth 2010-2015
Both Sexes	**15 years and Over**	**428.0**	**408.6**	**411.5**	**415.3**	**395.9**	**413.5**	**-3.4%**
	15 - 24 years	12.6	12.2	10.8	9.2	11.4	11.4	-9.5%
	25 - 34 years	62.3	54.8	55.2	58.0	56.2	57.3	-8.0%
	35 - 44 years	96.9	89.9	89.0	89.0	84.9	92.3	-4.7%
	45 - 54 years	123.1	120.3	121.6	119.4	115.6	111.3	-9.6%
	55 - 64 years	95.2	96.6	97.0	101.3	86.4	99.7	4.7%
	65 years and Over	37.9	34.9	37.8	38.5	41.5	41.5	9.5%
Male	**15 years and Over**	**275.2**	**257.5**	**258.3**	**258.6**	**248.4**	**254.8**	**-7.4%**
	15 - 24 years	6.1	6.4	6.1	4.3	6.9	7.4	21.3%
	25 - 34 years	41.1	32.8	33.8	36.8	34.0	33.3	-19.0%
	35 - 44 years	61.4	54.3	56.8	57.2	50.4	55.7	-9.3%
	45 - 54 years	77.8	76.9	74.2	72.7	73.2	67.0	-13.9%
	55 - 64 years	61.1	62.2	61.7	63.5	55.5	62.7	2.6%
	65 years and Over	27.6	24.8	25.7	24.2	28.4	28.8	4.3%
Female	**15 years and Over**	**152.8**	**151.1**	**153.2**	**156.7**	**147.6**	**158.7**	**3.9%**
	15 - 24 years	6.4	5.8	4.7	4.9	4.5	4.1	-35.9%
	25 - 34 years	21.2	22.0	21.4	21.2	22.2	24.0	13.2%
	35 - 44 years	35.5	35.6	32.2	31.8	34.4	36.6	3.1%
	45 - 54 years	45.3	43.3	47.4	46.7	42.4	44.3	-2.2%
	55 - 64 years	34.0	34.3	35.3	37.8	30.9	37.0	8.8%
	65 years and Over	10.3	10.1	12.1	14.3	13.1	12.7	23.3%

Note: Includes unpaid family workers

Source: Statistics Canada

SMALL BUSINESS RESOURCES

HOW B.C. HELPS SMALL BUSINESS OWNERS

Small Business Roundtable – established in 2005 to engage in a dialogue with small business owners to identify key issues and opportunities facing small businesses, developing recommendations for small business and government on strategies to enhance small business growth and success. **www.smallbusinessroundtable.ca**

Regulatory Reform – Whether you're a business owner or a citizen accessing government programs or services, you don't want to spend a long time filling out forms and searching government websites. That's why the Government of British Columbia has been working steadily on Regulatory Reform since 2001 to streamline services and eliminate the burden of excessive and unnecessary regulatory requirements on B.C.'s citizens and businesses. **www.gov.bc.ca/regulatoryreform**

Small Business Accord – The B.C. Government created the Small Business Accord to improve interactions with small business and ensure government initiatives and services consider the needs of small business to help foster a progressive business culture where government initiatives support current and future generations of small business owners across B.C. **www.gov.bc.ca/smallbusinessaccord**

SMALL BUSINESS RESOURCES

- Business Advisory Services
- Government Service
- Tools and Resources
- Education
- Financing
- Online Registration
- Permits and Licences
- Mentorship
- Export

ONLINE GUIDES AND PUBLICATIONS

Starting a Small Business Guide *(in English and 4 translated languages)*
www.resourcecentre.gov.bc.ca/pdf/Start_SmlBusiness.pdf

Small Business Highlights Page
http://www.resourcecentre.gov.bc.ca/pdf/SB-Highlights.pdf

A Guide to Doing Business with the Government of B.C.
www.resourcecentre.gov.bc.ca/pdf/Guide.pdf

Import / Export Guide *(in English and 4 translated languages))*
www.resourcecentre.gov.bc.ca/pdf/ImptExptGuideEng.pdf

Starting a Restaurant in B.C.
www.gov.bc.ca/startingarestaurant

More publications and guides
www.resourcecentre.gov.bc.ca/publications.html

Small Business BC
B.C.'s key resource centre for comprehensive small business information and services. Funded by the provincial and federal governments, SBBC can assist you with business planning, financing, registration and any other topics related to starting and growing a business in B.C. **www.smallbusinessbc.ca**

OneStop Business Registry
Complete the most commonly required business registrations and transactions online. Ph: 1 877 822-6727 **www.bcbusinessregistry.ca**

BizPaL
Offered in partnership by the provincial, federal and participating local governments, BizPaL is an online service that provides simplified access to information about business permits and licences that may be required for a particular business type and its related activities. **www.bcbizpal.ca**

Community Futures British Columbia
Delivering a variety of services ranging from strategic economic and succession planning, technical and advisory services, loans, self-employment assistance, and services targeted to youth and entrepreneurs with disabilities. There are 34 offices in B.C. offering counselling and assistance for new and existing businesses.
Ph: 604 289-4222
www.communityfutures.ca

Futurpreneur
Provides mentoring services and loans to grow the economy one young entrepreneur at a time. Ph: 1 866 646-2922
www.futurpreneur.ca

MentorshipBC
Created in response to demand from B.C. small business owners – if you've been looking for a mentor simply use the search tool on the MentorshipBC homepage to find a mentorship program that works for you.
www.mentorshipbc.ca

Address Change BC
If you are moving within British Columbia, you can use Address Change BC to update your business records with provincial and local government organizations.
www.addresschange.gov.bc.ca

BCBid
Access, create, browse and compete on public sector business opportunities. A simplified two-page request for proposal form allows business owners to quickly and easily bid for government contracts and increase opportunities to grow their business.
Enquiry BC line: 1 800 663-7867
www.bcbid.gov.bc.ca

eTaxBC
Provincial sales tax help, including tools and services for business operators, a toll-free helpline and online support for questions or webinars about sales tax. Ph: 1 877 388-4440
www2.gov.bc.ca/gov/content/taxes/sales-taxes/pst

Employers' Advisers Office
Providing independent advice, assistance, representation and education to employers, potential employers and employer associations concerning workers' compensation issues. Ph: 1 800 925-2233
www.labour.gov.bc.ca/eao/

BritishColumbia.ca
The Province's trade and investment website is the digital hub for promoting B.C. internationally. The website helps communities showcase their strengths and highlights business opportunities on the global stage.
www.britishcolumbia.ca/invest

Investment Capital Programs
Offering tax credits to investors making equity capital investments in British Columbia based small businesses. Ph: 1 800 665-6597
www.equitycapital.gov.bc.ca

Women's Enterprise Centre
B.C.'s leading resource for women entrepreneurs, offering skills development, business loans, free business guidance, business resources, mentoring, networking and events. Ph: 1 800 643-7014
www.womensenterprise.ca

Aboriginal Business Service Network
A collective of Aboriginal business service providers in B.C. who enhance access to business information and resources for Aboriginal entrepreneurs.
www.absn.ca

Service BC
Province-wide access to government services including key government transactions for business – in person, online or over the phone.
Service BC Contact Centre: 1 800 663-7867
www.servicebc.gov.bc.ca

BC Online
Access to e-government services for legal, business, government and professionals. Online information is available for the corporate registry, property assessments and court services.
www.bconline.gov.bc.ca

Corporate Online
Provides online filings to create and maintain companies in British Columbia.
www.corporateonline.gov.bc.ca

FrontCounter BC
A single window service for natural resource clients of provincial resource ministries and agencies to obtain all the information and authorizations they need to start or expand a business.
Enquiry BC line: 1 800 663-7867
www.frontcounterbc.gov.bc.ca

WorkBC.ca
WorkBC is committed to help British Columbian's successfully navigate B.C.'s labour market. Search the comprehensive job board or use up- to-date labour market information to help guide your education and career path. Ph: 1 877 952-6914
www.workbc.ca

LNG-Buy BC
Created to connect LNG project proponents with B.C. companies large and small in every corner of British Columbia. The government of British Columbia is working to ensure the entire B.C. business community can participate fully in LNG and other major project opportunities; LNG-Buy BC where buyers connect with suppliers.
https://lngbuybc.force.com/

Western Economic Diversification Canada
Working to diversify the western economy, by supporting business development through initiatives like the Western Innovation Initiative to assist small and medium sized enterprises to commercialize new and innovative technologies. Ph: 1 888 338-937
www.wd-deo.gc.ca/eng/

British Columbia's Aboriginal Small Business Resources

ABORIGINAL ENTREPRENEURSHIP: IT'S ROOTED IN HISTORY

Aboriginal peoples have a long history of entrepreneurship in British Columbia. From thriving fisheries to international trade economies, the entrepreneurial spirit has existed for centuries.

In recent history, Aboriginal owned and operated businesses are growing and succeeding in all sectors of the economy, from technology and agrifoods to forestry and Aboriginal cultural tourism.

This handout provides information on small business start-up and growth support services tailored to Aboriginal entrepreneurs and small business owner needs. The list of services is not exhaustive, but it identifies resources to support all aspects of business start-up and growth.

"As an Aboriginal business owner starting a business on reserve, I wasn't able to access funding or loans from conventional banks. All Nations Trust and the Business Development Bank of Canada helped me with financing.

The good news is that support and opportunities for Aboriginal entrepreneurs and small businesses are changing in a positive way. I want Aboriginal youth to know that entrepreneurship is an option for them - you don't have to work for someone else."

~Sharon Bond-Hogg, Owner of Kekuli Café, Westbank and Merritt

QUICK REFERENCE GUIDE FOR ABORIGINAL BUSINESS START-UP

Business Planning

- Create a business plan - create a budget, and conduct market, product and customer research
- List activities - research location, build timelines, get training
- Choose a business structure - sole proprietor, partnership or corporation

Business Financing

- Contact the local band office or Aboriginal organization for funding opportunities and advice
- Contact an Aboriginal Financial Institution to explore financing options
- Contact Business Development Bank of Canada or Community Futures

Business Registration

- Complete the business name application and registration at www.bcbusinessregistry.ca
- Choose a location and apply for a business licence with the local municipality
- Obtain permits (building permit, food service permit) at www.bcbizpal.

Business Start-up

- Set up the business - install any necessary furniture and equipment, and hire staff
- Open the business - invite customers, create an event or throw a party
- Market the business - spread the word, advertise products and services

Doing Business on Reserve?
Learn more about doing business on reserve by contacting the local band office. Seek advice from Aboriginal Financial Institutions or the Business Development Bank of Canada.

Have Employees?
Learn about B.C.'s workplace safety standards by contacting WorkSafeBC's small business liaison at 1-855-214-5438 and discover other helpful employer resources at www.WorkBC.ca/employers

Collecting Taxes?
Learn about tax collection and remittance by contacting the BC Ministry of Finance at 1-877-388-4440 and Canada Revenue Agency at 1-800-959-5525 or www.cra-arc.gc.ca/aboriginalpeoples/

B.C.'S ABORIGINAL BUSINESS RESOURCES

Aboriginal-Specific Resource | Skills Training | Advisory Services | Financing and Loans | Mentorship Support

Aboriginal Business Advisory Centers
Get advice on Aboriginal business planning in the Kootenay, Northeast and Cariboo regions.
Phone: 1-800-880-1022
www.gov.bc.ca/aboriginalbusinessadvisorycentres

Aboriginal Business Awards
Celebrate and honour Aboriginal businesses in B.C.
www.bcachievement.com/aboriginalbusiness

Aboriginal Business Directory
Increase business visibility and procurement opportunities by registering on this supplier database.
www.ic.gc.ca/abd

Aboriginal Business and Entrepreneurship Development
Provides a range of services and supports to promote the growth of a strong Aboriginal business sector in Canada.
Phone: 604-666-7891
www.aadnc-aandc.gc.ca/

Aboriginal Business Entrepreneurship and Skills Training Program
Skills training, advisory services and mentorship services.
Phone: 1-800-663-7867
www.ccae.ca/aboriginal-best

Aboriginal Business Investment Council
Promotes economic growth and certainty in the province and among Aboriginal communities.
www.bcabic.ca/

Aboriginal Business Mentorship Program
Experienced mentors who can assist to develop your business.
Phone: 1-416-961-8663
www.ccab.com/aboriginal_business_mentorship_program

Aboriginal Business Service Network
A collective of Aboriginal business services providers in B.C. who enhance access to business information and resources.
Phone: 1-888-576-4444
www.absn.ca

Aboriginal Financial Institutions
Information and advice on business planning, financing and other economic development opportunities throughout B.C.
Phone: 1-844-827-0327
www.nacca.ca/aboriginal-financial-institutions

Aboriginal Skills and Employment Training Strategy (ASETS)
ASETS links training needs to labour market demands, providing training, skills upgrading and job search assistance.
www.esdc.gc.ca/en/aboriginal/asets/index.page

Aboriginal Tourism Association of B.C.
Resources for Aboriginal entrepreneurs and communities in B.C. who are operating or looking to start a tourism business.
Phone: 1-877-646-2922
www.aboriginalbc.com/corporate/info

BC Aboriginal Economic Development
Programs, training and funding for Aboriginal businesses.
Phone: 1-800-880-1022
www.gov.bc.ca/aboriginaleconomicdevelopment

BizPaL
Identify and obtain business permits and licences online.
www.bcbizpal.ca

Business Development Bank of Canada
Access business financing and advice through the BDC's Aboriginal Banking Department.
Phone: 1-877-232-2269 (ask for Aboriginal Banking Unit)
www.bdc.ca/en/i_am/aboriginal_entrepreneur

First Citizens Fund Business Loan Program
Access business loans for Aboriginal-owned enterprises.
Phone: 1-800-663-2959
www2.gov.bc.ca/gov/content/governments/aboriginal-people/first-citizens-fund

Futurpreneur
Provides mentoring services and loans to young entrepreneurs.
Phone: 1-866-646-2922
www.futurpreneur.ca

Junior Achievement BC
Entrepreneurship training and support for Aboriginal youth through the Aboriginal Business Circles program.
Phone: 604-688-3887
www.jabc.ca/

Métis Nation BC Economic Development Portal
Economic development information and business registry for Métis businesses and entrepreneurs.
Phone: 1-800-940-1150
http://ecdev.mnbc.ca

New Relationship Trust
Access business financing and economic development information for Aboriginal enterprises in B.C.
Phone: 1-877-922-3338
www.newrelationshiptrust.ca/initiatives/

Peace Hills Trust
Provides banking services for Aboriginal entrepreneurs.
Phone: 250-769-9081
www.peacehills.com/Business/

Small Business BC
Get support for business planning, financing and registration to start and grow a business in B.C.
Phone: 1-800-667-2272
www.smallbusinessbc.ca

WorkBC
Learn about Aboriginal skills training programs, read success stories and access business and employment resources.
Phone: 1-877-952-6914
www.workbc.ca/Aboriginal

Ministry of
Small Business and
Red Tape Reduction

BCStats

Small Business Branch
Box 9822 Stn Prov Govt
Victoria, BC V8W 9N3
p. 250.387.4699
f. 250.952.0113
www.gov.bc.ca

563 Superior St. Box 9410 Stn Prov Govt
Victoria, BC V8W 9V1
p. 1.800.663.7867
www.bcstats.gov.bc.ca
BC.Stats@gov.bc.ca
Twitter: @BCStats